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**BULGARIAN TECHNICAL TWINNING
PROGRAM - PHASE III**

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Bulgaria Technical Twinning Program- Phase III

Ginka Kapitanova: For the translation, channel 1 is English, channel 2 is Bulgarian and channel 3 is Serbian.

Your Excellency ambassador Pardew, dear Mrs. McFarland, distinguished participants and guests, dear colleagues and friends. Please, allow me to open the final seminar for the third phase of the Bulgarian Technical Twinning Program, entitled “National Challenges and Local Solutions”. It is an honor for us to welcome His Excellency James Pardew, US ambassador to Bulgaria, and Mrs. Debra McFarland, USAID mission director for Bulgaria.

I suppose that all teams look forward to sharing the accumulated expert knowledge and skills, successful practices and management decisions resulting from their respective partnerships. And this is really the main goal of the Bulgarian Technical Twinning Program: to increase the institutional and expert capacity of Bulgarian municipalities to solve their communities’ problems with active citizen involvement, to improve municipal service delivery and to encourage a favorable business environment. Three phases of the program were implemented over the last five years; each phase expanded, enriched and upgraded the program on the basis of the accumulated experience and the results achieved. The facts are self-explanatory. A total of 11 Bulgarian-American partnerships, of which four new ones were established during phase three alone and received support under the program together with four of the most successful ones from phases one and two. The third phase was based on the experience during the previous two phases and was enriched by three new elements. Successful projects and management models were replicated in 5 new Bulgarian municipalities. 8 municipalities were selected on a competitive basis to implement specific projects, and the capacity of the American partners was used to train experts from all municipalities involved in the program, in order to build new expert skills and management culture. The most favored area of cooperation is local economic development, aimed mostly at the creation of new jobs and active management of community resources. Some examples. 10 municipalities developed marketing strategies. 2 municipalities created economic development zones. A regional tourism development was developed, as well as a business incubator, a public-private partnership model for the sale of municipal property and many others. During phase three, the partnership expanded in new areas, such as park renovation and redevelopment, municipal infrastructure management and maintenance, urban development and solid waste management. All of this was achieved with the professionalism and the dedication of city managers, mayors and Bulgarian and US experts. I would like to thank them from the bottom of my heart. The innovative approach that was demonstrated motivated other Bulgarian municipalities to think out-of-the-box, and the Foundation for Local Government Reform is making the information available to all Bulgarian municipalities. It should be stated here that the partnership between the municipalities went beyond the administrations to include exchange of folk groups, business delegations, contacts between hospitals and universities, donations from citizens. The wider the social base of the partnership, the more sustainable it is in time. And the professional and friendly relations established are a guarantee to that end.

I sincerely hope that our guests from Hungary, Romania and Serbia will utilize our experience in their practices.

I would also like to thank our partners and friends from ICMA, and Jon Bormet and Judit Deilinger in particular, for our positive joint efforts. Their support and assistance has contributed significantly to increasing the Foundation’s organizational capacity. The practice established in Bulgaria whereas ICMA is working with a local

organization, such as the Foundation, has already proven its efficiency. Of course, none of this would happen without the financial support and the ongoing assistance of USAID, and of USAID mission director Debra McFarland in particular, for which I'd like to thank her.

The Bulgarian Technical Twinning Program is only a portion of the assistance that the US government is providing to encourage local democracy and local self-government in Bulgaria. Please, allow me on behalf of the Bulgarian participants to thank His Excellency ambassador Pardew for the systematic support for local governments' and NGOs initiatives in the difficult process of decentralization and democratization of in country.

Thank you for the attention.

And now, it is my pleasure to give the floor to ambassador Pardew. Please, Your Excellency.

Ambassador Pardew: Thank you, Ginka.

Distinguished mayors, municipal officials and guests,

It's indeed a pleasure for me to be here this morning on this symposium on best practices of the Bulgarian Technical Twinning Program. And to meet here today the mayors and local officials from throughout Bulgaria. And I'm especially proud to have with us today the representatives from – I think I've counted 6 US cities, in our country, 13 Americans who have come here today to share their experiences in running cities with their Bulgarian friends and counterparts.

This is my first overnight trip out of the capital areas since I was... became ambassador to Bulgaria about 6 weeks ago. And I plan, as I promised to the mayors that I met last night, I plan to visit all the communities represented here today during my tenure as US ambassador to Bulgaria, and in fact many more.

I'm grateful that the Bulgarian cities have been able to take advantage of the American municipal know-how and experience to solve some of their most pressing problems. We have a great tradition of local governance in the United States and I think that it does offer, it obviously offers, a great chance to learn and to develop in Bulgaria. Effective local government is the bullwork of democratic society and the United States government is very proud to assist Bulgaria in this area. Assistance to local communities and the strengthening of local communities in Bulgaria is a personal priority for me as ambassador to your country. And I intend to promote, continues to promote, programs such as this, which strengthen the local communities in Bulgaria. The strong bonds between the United States and Bulgarian municipal leadership forged this program of vital importance. They formed the links about which technical skills and principles of democratic local governance will continues to be transferred to Bulgaria long after this program is over. This is in the interest of both our countries and our people. The United States has long supported the development of effective and accountable local government in Bulgaria. Since 1995, the United States has contributed close to 20 million dollars of our taxpayers' funding in technical assistance and training to the municipalities and local government NGOs. Today, through the US Agency for International Development, we have contributed almost 2 million US dollars to the Bulgarian Technical Twinning Program. This initiative has assisted Bulgarian municipal development by the transfer of skills between Bulgarian and American partners and it's been a uniquely successful formula. The formula demonstrates how international municipal cooperation can make a real contribution to the development of cities. I'm proud of the American cities that have helped sister municipalities in Bulgaria in this way. I'd like to

congratulate the leadership of those cities for having the selflessness to give their time and resources to this end. I would especially like to congratulate the mayors of the Bulgarian partner cities for seizing the opportunity offered by this program. Together with strong leadership from the Foundation for Local Government Reform you've initiated improvements which your citizens can be proud of and from which your country will benefit. I wish you success in your discussions today. I look forward to listening to them and also to the meetings tomorrow concerning the best practices developed during this project. Both sides, all parties have something to learn from the other. And best of luck in your continuing efforts to develop your municipalities, to better serve your citizens and to build strong, democratic communities. Thank you very much.

Ginka Kapitanova: Thank you, Your Excellency.

Ladies and gentlemen, now please allow me to read a letter to the participants in the "National Challenges and Local Solutions" final conference of the Bulgarian Technical Twinning Program by Mr. Kostadin Paskalev, vice prime minister and minister of regional development and public works.

"Your Excellency, ladies and gentlemen,

It is both my honor and my pleasure to address you to express my gratitude to the twinned Bulgarian and American cities involved in the third phase of the Bulgarian Technical Twinning Program, for the implementation of the projects incorporated in the Technical Cooperation Action Plan between Bulgaria and USA.

I have no doubts about the positive effect from the implementation of the projects developed by partner municipalities, because in my capacity of a mayor of Blagoevgrad I was involved in the partnership between Blagoevgrad and Auburn. Unfortunately, my schedule doesn't allow me to attend the final conference personally.

I would like to congratulate the Foundation for Local Government Reform, the mayors of partner municipalities and all the other participants for their successful efforts and to wish that the strategy for sustainable results and best practices be disseminated within all Bulgarian municipalities.

On behalf of the government of the Republic of Bulgarian and on my behalf, I wish you successful work.

Kostadin Paskalev"

Ginka Kapitanova: I now have the pleasure to give the floor to Mr. Jon Bormet, director of the Resource Cities Program, ICMA.

Jon Bormet: Good morning and welcome.

Ambassador Pardew, Debra MacFarland, USAID staff, I'd like to welcome you especially. As we do these programs around the world, I'm pleased to tell you that there is no USAID mission that gives more support to the idea of local government empowerment than here in Bulgaria. I would also note that that support is in large measure to the people in this room. Because success is rewarded and the successes of the local governments, the accomplishments that they have made over the past few years during a very difficult decentralization process have been very, very difficult but there have been real accomplishments made.

Local government is this umbrella that we talk about but as you're going to see over the next couple of days, what it really means is bringing jobs to a community. And so there" going to be a lot of conversation about economic development and bringing

good-paying jobs to a community. It means a better environment; it means working with landfills and making the environment a better and safer place for your citizens. It means community areas, places that people can go to with pride, working on parks, renovating those parks. And most importantly for all of these kinds of things, it means citizen involvement. And you're gonna hear how different communities have done citizen involvement over the course of these projects and made better projects because of that citizen involvement.

I need to make one change in the way we are talking about the US managers and staff who are here. And this was brought up to me yesterday by Mark Shriedman. The US officials that are here are referred to many times as "experts". And every time they are referred to as such, they all cringe. Because we know back home that we feel far from being expert in this process, this evolving process of local government. I think it might be fair to categorize these people as leaders, they may be facilitators, managers, mediators. They do whatever is necessary to bring together communities and help move them forward. The other unique thing about this program has been that the people involved on the US side have predominantly been city managers and their staffs. In a popular form of American local government, city managers work for mayors. I think many of the Bulgarian mayors will tell you that the city managers have worked as their partners and have meshed very well, simply hearing the needs of the city and being able to respond to them, much as they do in their own communities every day.

The other thing that I would remark upon is that the US city officials that are here are dedicated professionals to the idea of local government and local self-government. Many of the people in this room have 20 years of experience just in local government, serving either one local government or serving several local government. Some of them who I won't mention have significantly more than 20 years of experience working in local government. But they have all dedicated themselves to that idea of working with an elected public policy body, a city council and a mayor, working with their community and working with a staff that is professional, that has skills and that can truly make a difference in lives.

I'm also very excited because I think it was a little over two years ago that the four new cities in this phase – Vidin, Silistra, Pazardzhik and Veliko Turnovo – were cities that I got to visit. And I think that the mayors would admit that there were some questions about what this thing was, this twinning program, how would we benefit from it. And what we talked about was simply identifying issues in the home towns of those mayors, issues that they've been recently elected, issues that the citizens wanted some response to, and partnering that up with some creativity and experience. Not experts, experience of US local government officials. And so here we are a little over two years later waiting to hear the results of what I think has been an extraordinary match between those partnerships.

For the Bulgarian mayors and the staffs, as well as the visitors that we have from Romania and from Serbia. Most of you do not have the experience or benefit from the tradition of local government in the United States. What you have got from these partnerships is truly a vision of what you want your communities to be in the future. It is extraordinary that you have such a commitment to build your communities, to begin to establish some of those traditions in your communities, many times from scratch, from virtually nothing. So I applaud your commitment. It's been amazing. You will hear from your American colleagues that it has been very rewarding to them. You instill in them a new sense of commitment to local government when they go home to

the United States, so I truly believe that, as in any partnership, both sides have benefited here.

Very simply what this program is about. It's what a finance person in Vidin told me when I visited there a couple of years ago, at the start of the program. And I said, why are you serving in local government? And I think it's a good question for any sane person to ask. Local government is very difficult to work in the US and certainly in Bulgaria. And he said that his simple reason for leaving behind his private sector job and coming to work for the city of Vidin, which was coming under a new reformist mayor who wanted to make changes, was that he simply wanted to make Vidin the kind of place that when his children were grown that they would not have to move away, they simply would want to stay in the community. He wanted to keep his family together. I think that's what's in it for all of us who serve in local government - while we have this idea of public service, we also have this selfish idea that we can truly make the world a better place, make our community a better place for our families.

I would also like – and I would be wrong to go on before acknowledging FLGR. The Foundation for Local Government Reform in this country is an extraordinary asset. We are successful here, you are successful here, in a large measure because of their efforts. And it seems to me that the experience that they have brought, that they have built, that in the beginning, I think, 5 years ago, with all due respect, I don't think that ICMA and FLGR were true partners. They were beginning, they had great ideas and great commitment. As of this conference I have to tell you: we look to them to be the leaders of this program in Bulgaria, to truly be the facilitators between the cities in Bulgaria. If there are experts in this country on local government, and on economic development, and on environmental issues and all of those basic needs of the citizens, the Foundation for Local Government Reform is where that knowledge exists. They have done a wonderful job of disseminating that information throughout the country and we are very honored at ICMA to call them a partner and in fact to be a true partner with them through our memorandum of understanding that we have that considers FLGR a sister organization to ICMA. Their efforts are truly extraordinary. Ginka, Ina, Tony, Veni, all of you who are sitting here, who are enjoying this wonderful facility, are going to hear over the next two days the presentations owe an extraordinary debt of gratitude to those individuals at FLGR. I would just like to give them some applause right now to recognize those guys.

OK, we are about to start. We are going to do right now what is happening all around the world today, and especially in the United States. In the US today, there will be meetings among public officials, there will be city manager meetings, mayor meetings, economic development directors, park people. They will all be meeting. And if they are not meeting, they are probably calling one another. And they're gonna say, you know, I had a council meeting last night and this issue came up and I don't know what to do about it. Do you have anything that you can tell me, can you give me any help, have you addressed this problem before? In that spirit, we want to come together to collaborate as well. These are common problems that we have faced in the US, that you have faced in Bulgaria, and quite frankly, the local communities are facing around the world. We've cut down those borders. Through the travel, through email you've been able to work together as one task team, an international task team. I'm very excited to hear about the progress that you've made.

With that, I would like to ask you folks, if you can, to move, I think somewhere back there. And the first presentation... which is Haskovo-Abington, yes? I would like to ask you to come forward and join us up front on the table and begin the presentation.

Mayor Ivanov: Your Excellency, ladies and gentlemen, colleagues, I will be brief. Haskovo has a cooperation with Abington, Pennsylvania since 1997. We're in the third stage of this cooperation. A cooperation which, I believe, has proven the great role of continuity. In this respect, there is a very significant meeting – and I still feel very strongly about this – that was held in the year 2000 in Auburn. A meeting that proved to me how enormous is the need of this cooperation, as by attending that meeting I found out that the meeting with Mr. Tom Conway, Abington's city manager and a person with a 15-year experience as a city manager, is very useful for me, a mayor that is still to acquire experience. I accumulated a lot of information. As a part of the meeting, we developed joint projects that allowed us to get approved for participation in the next phase and we found out that we like each other and there are many opportunities before us. Consequently, we began a cooperation that was based on the previous and that today I can call "fruitful". Evidence to that end will be shown in a few minutes when we'll present some practices. What is most impressive about our cooperation? The fact that we had decided that, in case we don't get approved for the next phase, we would continue despite the lack of funding. This willingness was expressed both by myself and by Mr. Tom Conway and perhaps it also influenced to some extent the decision to have us involved in the next phase with the project that we had developed. This holds true now, too, as we had a visit by the chairperson of the Abington Industrial Development Corporation, Mr. Carmen Italia, who visited all companies located within our municipality. Later, we made a similar visit to Abington, with site visits to companies and enterprises that are willing to cooperate with Haskovo companies and possibly relocated some of their facilities. This exchange was not included in our initial plans but which we considered potentially very viable; however, the black September 11 temporarily put our plans on hold. We are currently negotiating the delegation that will visit Haskovo with business representatives, so that we could go on. I think that in this respect the technical cooperation will bear fruit, as there are many viable ideas and prerequisites and I hope that we'll have a future in technical cooperation, regardless of the results, of whether there will be an official next stage or not. I'd like to mention something else, too, that is very useful to me as a mayor. What I saw in Auburn hasn't ceased to impress me, and that is not an overstatement. What I mean is, Mr. Philip who was our host, showed us a business park, something that I personally hadn't seen until then...

...that as a consequence, together with Mr. Tom Conway and some of his staff, we developed a similar project for Haskovo. And I'm proud to announce that it is being implemented. This business park that we developed on municipal land is already occupied by two companies, one of them fairly large and financed by the German government. It's a 12-million fruit, vegetables and flower wholesale market. A shoe-making company is currently building its facility. There are good opportunities. I think that the start has been successful. This is what I believe is useful. In other words, we start where others have ended, instead of trying to re-invent the wheel...

It is true that there are many obstacles in our local government that don't allow us much freedom in our capacity of mayors. However, I hope that the people in national government that were recruited from local government will do their best... there are some rumors in the media that steps are being made to change local government, to give us more authority, more opportunities and what is most important that we, the mayors, recruiting investments would be able to adjust some taxes as to provide a preferential policy in the economy. That's what we are lacking and what, as far as I

understand, is available in the US. With this I'll finish. Once again, I'd like to express our satisfaction with this cooperation and to reiterate – despite the fact that our partners are not here today for certain reasons – that our cooperation will continue anyway, as both me and Mr. Tom Conway are certain and we state that we deem it useful. Thank you.

And one more thing that I need to mention here, a very pleasant fact indeed. In the process of our cooperation, we spontaneously involved the Municipality of Harmanli whose mayor is here today. He might want to say a few words later. In other words, we expanded the cooperation program, which to me is also an element of success, because it's evident that the opposite party has a willingness for more extensive and long-term cooperation.

Pavlina Paseva: As a coordinator of the program for the Municipality of Haskovo, I'll be the one to present our project today.

The partnership between the Municipality of Haskovo and the City of Abington, Pennsylvania, is one of the so-called old partnerships, dating back to the very beginning of the Bulgarian Technical Twinning Program of the Foundation for Local Government Reform. This brief presentation will provide you with information about the project that we developed during phase three and that won us the first prize for innovative practice awarded at the Municipal Marketing seminar held by the Foundation on February 14-15, 2002, in Sofia. This recognition of our efforts makes us proud. Please, allow me at this forum to express my gratitude to the Foundation's team and to Ginka Kapitanova in particular, without whose ongoing support and assistance we wouldn't be able to achieve such good results. I would also like to thank our Abington partners for their dedication in our joint work; unfortunately, they weren't able to come here but I'm convinced that they are with us in their thoughts and that they are proud with the results of our two-year efforts that we'll present today.

Our joint project was called a corporate office center and an industrial park and had the following two ambitious goals: to increase the role of the Municipality as the driving force of economic development in the region; and to exchange experience with our American counterparts, whose knowledge and skills were extremely valuable to us. We implemented this project by gradually implementing the activities, and namely: First we established a team of 15 experts, including representatives of key municipal departments and 6 councilors from the respective committees of our council that had direct impact on economic development. The team's efforts resulted in a marketing profile and a brochure for the Municipality of Haskovo. The next key element was the orientation program for the recruitment of foreign investors. Its main purpose was to offer an easier and more pleasant system of getting potential investors acquainted with all aspects of life within the municipality. We tried to present the region not only as a wonderful place to live and do business in, but all of its positive aspects, such as sports, tradition, culture and so on. The 12-point orientation program is available for everyone who would be interested. The corporate office center is also a part of the orientation program that demonstrates the innovative thinking of the municipal administration with regard to an important issue, such as providing assistance to every prospect who is interested in the quality of life and the business environment in a municipality. A major contribution by the Municipality of Haskovo is the corporate office center, where free office space and accommodation are provided to every potential investor interested in our municipality who has taken the

time to personally check the opportunities; we offer these to encourage investor's decision to relocate to our region.

Another important element of our project is the development of the Haskovo industrial park, which is also included in the presentation materials available for you at this final seminar. The industrial park is a place for large companies in different industries. As a continuation of the northern industrial zone of the city, the park provides excellent property for development. As I gratefully acknowledged in the beginning of my presentation, everything we managed to achieve so far wouldn't happen without the ongoing contacts and support on behalf of our American partners. Every visit on either side was a mutual pleasure and a source of new ideas for joint work. At these meetings, we shared our achievements, enjoyed the good results and sought solutions to the obstacles we faced in the process of implementing the difficult task we had identified. Together we discussed action plans and operational methods. We made use of their experience and they enjoyed our enthusiasm. We developed the implementation stages for the ideas that came up during the discussions. Each of the parties consulted the other until the desired result was achieved. The benefit for us is beyond any doubt and there is no need to talk about that. It is more interesting to see what our partners got out of this. They faced the challenge to review things from a different point of view, through the differences a completely unknown lifestyle. When the Bulgarian delegation visited Abington, we were deeply impressed by the fact how concerned our American friends were with Bulgaria's economic situation and with their efforts to generate interest among the US business community. With the assistance of the Montgomery County Development Corporation, and of Mr. Carmen Italia personally, we visited some companies in different industries that were interested in investing abroad. You are now seeing photos from the visit of the Bulgarian delegation to the Lee High University business incubator, where we could see how such an incubator is operated. Our impression were very useful in our future work, as Haskovo was one of the cities selected for business incubator projects.

During our visits to some companies in the foodstuffs industry we had to use funny clothes, as you can see for yourselves. We had the unique opportunity to present the municipality of Haskovo live, before potential investors, and that was our general rehearsal for the future implementation of our projects. The meetings in Bulgaria were also creative; during one of them we spontaneously decided to replicate the project in the municipality of Harmanli. As you can see from this photo, good ideas usually come up in an informal setting. Using the proven model, we established a team of experts within the Municipality of Harmanli and thanks to the accumulated experience in the development of Haskovo's marketing profile, we were able to develop such a profile for the Municipality of Harmanli. Unfortunately, we didn't have the funding to publish it. And then, miraculously, the Foundation for Local Government Reform announced the opportunity to expand project ideas in phase three. There wasn't a more natural and better way of successfully competing our intentions and what you see on the slide now are the additional activities that we incorporated in this project. Even the development of the project wasn't a problem for us, as all activities were following their natural development. Municipality of Harmanli's marketing profile as ready; all we had to do was design and publish an attractive brochure. When we presented the Haskovo Region in the United States, we faced the necessity to present the business environment as well. As anything else in life, business is based on successful partnerships, too. This is how we decided to show the business environment in Haskovo. Our business catalog is a fact and it played the

role of a bridge between the marketing brochure and the establishment of business contacts. We've brought the catalog here today, so you can have a look at it.

Having spent almost a year and a half working on the industrial park concept, it wasn't difficult for us to develop, together with Mr. Italia, a strategy for its development. The strategy provides the main guidelines in the development of the city's industrial zone and presents it as the perfect place to achieve business dreams in a comfortable location, accessibility, infrastructure and availability of trained workforce. The city's tourism profile was an addition to our aspiration to provide a comprehensive presentation. The original is placed in the building of the municipal administration and A copies will be provided with other presentation materials to all our guests. We've brought the original, it's outside, at the presentation materials stall. You can have a look if you're interested.

As a conclusion of all our efforts aimed at presenting the municipality of Haskovo, we developed a DVD presentation, a short but impressive movie that provides a visual picture of all aspects of life in Haskovo. I won't talk about this; you'll have the opportunity to enjoy the movie during one of our next sessions.

After so many nice words that I couldn't stop myself saying about our work under the Bulgarian Technical Twinning Program, it would be appropriate to now talk about the results.

Here we have some numbers related to our project results, although I personally believe the ones that are not measurable are more important and more useful to us. 3000 copies of the marketing material were printed; of these, 100 were taken to the US during one of our visits. We gave them to our partners. We disseminated some during our site visits and the rest we left with our partners, so they could disseminate them on our behalf. 200 copies were given to the Maritsa Regional Association of Municipalities, as they have a higher level and larger scale forums, different international conferences and seminars, where they can disseminate our materials. We disseminated 500 copies at different events. We visited different companies within the region. We invited prominent business people to a meeting and introduced them to our ideas and once again disseminated our materials. What contacts with businesses did we establish? 20 companies in the US and 50 in Bulgaria, countrywide that is, and not only in the Haskovo region. Orientation services were offered to 7 businesses. 4 of them were Bulgarian, the others were with foreign capital. 500 brochures were published for the municipality of Harmanli and are to be disseminated. After all of this, I shouldn't talk more and shouldn't be telling you how useful and necessary is the Bulgarian Technical Twinning Program to all of us, the municipalities that had the opportunity to participate in it. I would rather focus your attention on the fact how much more we could achieve in an eventual fourth phase, which all of us hope to have.

At this meeting between us, the beneficiaries, and you, the donors, I would like to express all participants' conviction that we have all seen for ourselves how useful and fruitful is the cooperation between Bulgarian and American municipalities, how strong and creative are the links between us. And regardless of whether funding will be available for an eventual fourth phase, our partnerships will continue and we'll move on towards greater successes.

Thank you for your attention.

Mr.Dimitar Arnaudov, Mayor of Harmanli: Your Excellency, ladies and gentlemen, colleagues, American friends,

After such a detailed presentation of the project, I can only thank the Foundation for Local Government Reform, USAID for the fact that, without having a twin city in the United States, we were able to replicate to some extent the best practices developed by the Bulgarian Technical Twinning Program both in our country and in the States. I hope that more Bulgarian municipalities will have the opportunity to access the program and the successful practices, as we all have problems. Why should we reinvent the wheel, as Mr. Ivanov said. We should unify our efforts to solve our problems.

Once again, thank you.

Jon Bormet: One moment if we can.

Mayor, I remember two years ago you were the new mayor of Haskovo and yet this program had began under a prior administration. We have only a couple of minutes remaining, but if you could address the issue what value you saw in the program and why you continued these efforts with Abington as part of your new administration, it might help explain the program to others.

Mayor Georgi Ivanov: I think that in this respect I already mentioned Mr. Tom Conway's extensive experience – 15 years as a city manager – the advice I got from him and this industrial park that we've developed, the business incubator that we've developed as idea and which is already being implemented, the information center and quite a few personal advice with regard to management – despite the differences in the management systems and practices – how I can accept some troubles, some good things – I think that he had a great influence on me in this respect, which helped me tremendously as I wasn't very experienced as a mayor. I may have more experience now, but back then I didn't, and I needed some support from a person who isn't burdened by politics or political cases and is focused only on the pragmatics in municipal management.

Jon Bormet: Thank you very much and thank you your team for your presentation. Kettering and Silistra, are you ready?

Let me take this opportunity to explain to you what will happen. We will have this presentation for the next 30 to 40 minutes. We will then take a break. We will come back from that break and have two more presentations. At that time, after those two presentations, you will have the opportunity to break out in small groups and ask each of the presenters that you've seen today additional questions about the methodology that they've created.

I would also note that you will see that there is a theme today. And everything you hear about today is going to be about local economic development in one way or another. And we hope that by bringing all these projects together you will find that different local governments are adapting different processes and they're also adapting some that are very common. And that by sharing that kind of information among you you will have the opportunity to provide for additional economic growth among the cities of Bulgaria.

Ivo Andonov: Dear friends,

I hope that by addressing you in this way I'm not breaching protocol, because what we've done under the Bulgarian Technical Twinning Program has contributed not only for finding solutions to certain social and economic issues but also for establishing strong friendships between the people, between the two teams. I even

wouldn't like us to talk about "technical" but about real twinning, because it did happen in reality. Only a close person would be ready to help you and to listen to you. We, the Bulgarians, have a southern temper, we offer very warm reception to our guests and we've probably sometimes embarrassed our American guests with our desire to make them feel at home. On the other hand, together we did so that during our joint work we forgot geographic distances and lifestyle differences. What I think is most important, is that during the implementation of this program we proved that in a globalizing world little territories have a real contribution and their own place in creating values. Although we started working with the City of Kettering at a later stage of the program, we managed to defeat time constraints and the results are self-explanatory. In a purely human aspect, the program contributed a lot to changing the life of many people by the establishment of a business incubator and a business center in the city of Silistra. These two institutions already provide jobs. The oldest city park in Bulgaria, the Danube Riverfront Park in Silistra, was renovated and once again became a favorable place for my fellow citizens. Also, thanks to the program, we learned to be pragmatic even with regard to the most insignificant ideas. We managed to convince the people that many things depend on their own efforts. This is why I'd like to thank FLGR's executive director Ginka Kapitanova, USAID Bulgaria mission director Debra McFarland, ICMA's International Resource Cities Program director Jon Bormet and the US Embassy in Bulgaria headed by His Excellency ambassador James Pardew, for giving us the opportunity to become a part of an exceptional event. I'd like to express my hope that they will also assist us in multiplying the results at a later stage of the program. I wish all the participants successful work and I hope that we'll continue meeting in the future.

Thank you.

Steve Husemann: Thank you, mayor Andonov.

Hello, my name is Steve Husemann and I'm city manager of Kettering, Ohio. I'm joined here today by assistant city manager Mark Schwieterman. Mark and I are enjoying our second visit to Bulgaria.

The city of Kettering is a first-ring suburb of Dayton, Ohio, with a population of 57,502 and an annual budget of \$65.6 million, just to give you some context.

Our relationship with the city of Silistra began in June of 2000, with our first visit. In total, we've participated in 4 working trips to Silistra. The Resource Cities Program has surely been a wonderful experience for myself, my staff and our entire city.

The purpose of my portion of the presentation today is to focus on our joint efforts regarding economic development. The City of Kettering has been very successful in economic development; we've made it the main objective of our organization and thus we've made several improvements to our operation over the last several years. We've shared these ideas and improvements with the city of Silistra. On the screen you see our national award-winning marketing brochure "Embracing Innovation". In many cases this brochure is our first contact with a prospective business. The economic development program workplan is broken down to three components: business incubator; marketing brochure and incentives. I will be discussing the economic development and the business incubator. Diana Bebenova of the city of Silistra will be discussing the marketing brochure and mayor Andonov will be discussing the incentives.

Between 1995 and 2000, many of the state-owned companies in the region of Silistra, which provided about 80 percent of the jobs, were closed down or were unsuccessfully privatized. I'm sure the other Bulgarian communities have experienced

the same thing. This has led to a high rate of unemployment in excess of 20 percent. Silistra officials needed to find a way to spur economic development in the community and to learn to operate within a free market economy. The twinning relationship brought forward the following objective: to create a business incubator to spawn local entrepreneurial efforts and drive the economy forward with new jobs. During the Silistra staff's first visit to Kettering, a number of business incubators were visited. The staff from both cities visited and interviewed both the tenants and the managers of the incubators. Many decisions were required in Silistra on the formation of the incubator: what would be the financial structure; what type of leases would be offered; what type of businesses would be sought, and how would the incubator be managed. Significant experience and assistance which we received from the Hamilton County business incubator in Cincinnati. The incubator appeared to be exact, perfect fit for Silistra. The setting itself was in a residential district, as in Silistra; an existing industrial structure was renovated and the project involved surrounding the local neighbors. This has been a high priority with Silistra. All of these were similar to the proposed site in Silistra. Our interviews with the manager of the business center were hopeful and identifying the basic questions that Silistra needed to address regarding the successful operation of a business incubator center. Over the next several months, Silistra worked with Kettering to develop the basic business plan for the incubator. Once the basic operating structure was determined, a manager was hired to run the facility. The first order of business was to identify and procure a funding source for the construction of the incubator. The Silistra team was successful in obtaining a grant from the JOBS Program, Job Opportunities from Business Support, which is funded by the United Nations Development Program and the Ministry of Social Care. This funding source enabled the existing vacant building to be renovated into a business incubator...

...appreciation to my own staff at the City of West Carrollton, they have been very instrumental in making this possible. Thank you very much.

Steve Husemann: ...Bulgaria.

Perhaps the most important component of the incubator plan was the revitalization of a vacant building in a residential neighborhood. Both the staffs agreed that it's imperative that the residents of Silistra be involved in all the projects that were being fostered by the twinning program. Involving the residents in enabled the new business center to become a part of a neighborhood as opposed to a problem for the neighborhood. The new center has created a positive impact not only in jobs, but in enhancing the appeal of the entire neighborhood.

As you can see from the slides, significant improvements were made to the former community bathhouse. This substantial undertaking was completed within a very compressed timeframe of approximately six months – from bathhouse to incubator in six months. The center opened for business in May of 2002. At this time, a little over a month later, the incubator has leased out 40 percent of the available space and created a home for 28 new jobs. The prospects for the future of the business incubator are outstanding.

As you can see from the slides, the finished building is certainly a quality and fitting addition to the community. We were surely amazed of the quality of the finished product and the speed with which the City of Silistra was able to complete this project.

Silistra also opened an agribusiness center in September of 2001. That center provides, among other things, technical assistance to the businesses of the business

incubator. Our staff were fortunate enough to attend the grand opening of this essential component of the economic revitalization of Silistra in September of 2001. I would like to spend the next couple of minutes discussing the Twinning Program in general. The Kettering staff was asked to provide technical expertise in several areas. Although it very quickly became apparent that we were also benefiting professionally from the program. It is apparent that economic development efforts of the Silistra staff were very well-founded and certainly a step in the right direction. The management team of Silistra was paramount in making this program work. Their willingness to involve front-line staff assisted greatly the implementation of new ideas and new programs. The staff provided a great resource of ideas and professional ability to implement new programs. In the short two-year timeframe, the twinning team was able to create and open the incubator center, design and distribute an award-winning marketing brochure, redevelop the Silistra website and bring back to life the centerpiece of Silistra, the Danube Riverfront Park. I think you'll find the improvements of the park, which will be presented tomorrow, to be overwhelming. I'd like to thank ICMA, FLGR, USAID and Silistra for making this twinning program a rewarding experience for both my staff and myself. We have truly benefited from this program a great deal individually as American managers, and we feel that the Silistra staff have benefited as well. Thank you for your time today and I'd be happy to answer any questions during the breakout sessions later. Now, I'd like to turn the program back to mayor Andonov.

Ivo Andonov: Dear guests, colleagues and friends,
The topic of my presentation – the development of a package of economic incentives – is a task within the first priority area of our cooperation with Kettering, and namely, economic cooperation. The package of economic incentives that I'll present has three pillars. Firstly, meetings and discussions with representatives and state and local institutions. Secondly, the expertise shared by Kettering. And thirdly, the current reality. In defining it, the team that worked on this project used the following economic development principles. The companies, and not local or national authorities, generate wealth. The local economic development programs must be implemented in partnership with the national and regional policies and programs. The physical environment, the infrastructure contributes a lot to the municipality's competitive advantages. The availability of workforce improves municipality's wealth. The institutions can support business by offering effective and efficient services. The lessons that we learned during our meetings in the United States and expert discussions demonstrate that one of the main obstacles to business development in our country is the lack of a favorable investment climate at national, respectively at local level. The slow legislative reform in the economic and commercial areas is another obstacle. Within the current environment, the cooperation between the municipalities is critical, as well as the cooperation between municipal administration, municipal council and regional administration in attempting to create more favorable conditions at local level. Or, as our colleague Jim Gardis eloquently explained it, when the boat is moving against the Danube's current, at least one of the three persons in it should be rowing. For this reason, during the implementation of the program we paid special attention to involving municipal councilors in the discussions and the presentations, and the chairman of our municipal council, Marin Peychev, visited Kettering in January of this year.

What does the package of economic incentives contain? The package covers four areas: finance and tax incentives; public-private partnership development;

infrastructure development; and effective technical and retraining assistance to businesses. Let's look at the financial incentives. At present, council committees are reviewing the opportunities to use Privatization Fund money to establish a guarantee fund that will guarantee loans to businesses involved in projects important for the municipality. In addition, we have initiated municipal bond issue procedures, which will allow us to implement larger scale projects in the urban environment. Also, within the restrictions of the Local Self-Government Act, we're planning to reduce certain tax rates. It has to be noted that at present municipal authorities don't have much leeway in setting tax incentives. For this reason, together with the local representatives of the National Assembly, we're developing a proposal for an extension of municipalities' competencies on setting the tax rates. We very much rely on the opportunities provided by public-private partnerships, mostly with regard to infrastructure development. An example of effective such partnership is the construction of the performance center in Dayton, which was presented by our partners. Our goal is, by uniting public and private resources, to initiate the development of modern infrastructure, and by good marketing to have the Municipality sell sites and lots. In this respect, we initiated the development of conceptual plan for the construction of a business park and aquatic park in the eastern section of Silistra Danube Riverfront Park. You can see the location here, on this strip of undeveloped land, close to Romania. This is what we have today. This is the zone where the business park will be located, and this one is for the aquatic park. Hopefully, at the next stage of the program I will be able to demonstrate what will be built here. The technical assistance area within the package of economic incentives includes the development and dissemination of technical databases of available lots. This is the database that we're trying to establish. A digital cadastre of sites and marketing information on the latter, presented in a friendly format to potential investors. The establishment of an entrepreneur's desk and of a team of municipal employees who will assist investors in dealing with municipal and national institutions is another incentive that will enhance the administrative procedures faced by the entrepreneurs. A special attention is paid to the interaction between local government and existing businesses; this includes better communications, such as planned meetings, discussions, printed and electronic publications promoting business in the region. Development of a database on manufacturing and the potential of businesses operating within the municipality. Establishment of contacts with local businesses' suppliers and large clients, in order to expand their presence in the municipality. Assistance with retraining is an incentive that is already being provided in our city. This is one of the tasks assigned to the Agribusiness Center and the business incubator.

Following a discussion of some amendments, I hope that the incentives will be adopted by the council. Their main purpose is to influence directly the local investment climate and indirectly the physical environment of the municipality. They will a primary factor in economic development and will achieve the goals of the first area of technical cooperation between Silistra and Kettering, and namely, encouraging the economic development of our municipality.

Thank you.

Diana Bebenova: ...friends. As you head, our cooperation is in to main areas: support for economic development, and park development. Today, you have the opportunity to learn what we in Silistra have done to support business in Silistra. You've already heard that we have established a business incubator which is already

hosting some companies. Mr. Andonov presented you the package of economic incentives that is being developed. My task will be to present how we worked on developing a marketing brochure for the municipality of Silistra.

What did we achieve? We had an effective and emotional partnership. Apart from that, thanks to the Bulgarian Technical Twinning Program, we had the opportunity to see the application of marketing principles in a real market environment. We also developed several very successful approaches that I'll present. Our products were highly appreciated at national level by the Foundation for Local Government Reform. And the experience that we accumulated gave us ideas and the capacity to implement them.

The partnership. Two things are typical of our partnership: professionalism and trust. As you already know, the professionally developed marketing brochure of Kettering was awarded the best practice national award in the year 2000. The professional advice of our Kettering counterparts, Jeff and Brenda, had a great influence on the success of our project. We also did well and together with Kettering overcame our differences and built mutual trust.

Principles of marketing that we witnessed. At the very beginning of our program, our partners joked that only one third of the American produce, the remaining two thirds do marketing. Actually, the idea that marketing can bring investment seems to be becoming a priority at national level. Our goal was to reply whether it's possible to market municipal resources, to regard them as a commodity and advertise them. Our experience demonstrates that this is possible, albeit difficult without a national policy in this field. To encourage us, our American counterparts stated the following advantages provided by marketing. Of course, it improves the city's image. Besides, it helps retain existing businesses and recruit new ones. A very important aspect is that it demonstrates the quality and the effectiveness of the municipal administration and helps establish good relations with the citizens.

This was enough to convince us and then we faced the task of identifying what kind of strategy, marketing strategy to develop to unlock the opportunities.

When I asked Steve Husemann what should be the marketing strategy of a municipality that wants to reduce unemployment, he replied: aggressive. And such as the marketing strategy of Kettering, which resulted in reducing unemployment to 4 percent.

Under the Bulgarian Technical Twinning Program, we managed to utilize several marketing tools. We developed a brochure, participated in several forums and seminars where we presented Silistra's opportunities, made use of internet and are currently working a program for participation in trade fairs.

In the process of our joint work, we applied several successful approaches. The first approach was about the development of a marketing profile by our municipality. Usually, an external team would be invited to develop the marketing profile. It really is a challenge for people employed by the Municipality to view the region's potential from the point of view of market economy, to decide which are the most important aspects and to present them in an appropriate way. We chose the empirical approach to identifying municipality of Silistra's marketing profile. We went to the people, to the businesses in our city and asked them what are the conditions of doing business in Silistra. With the assistance of consulting advice, we developed a special questionnaire to survey the city's business climate. The questionnaire allowed us to organize structured interviews. We visited, we met with business representatives, gave them the questionnaire and they provided us with specific, correct answers. In that way we managed to find out what the others thought of us.

During the interviews, we found out that we had applied another approach to businesses, and a very successful one at that. Involving businesses in such meetings gives them a sense of confidence, a sense of belonging to the business community. This approach also improves the interaction between local government and business. Together with Jeff, we identified which companies within the region should be studied in detail and we studied them. In this way, we identified the companies that make the region what it is. In the end, based on information collected by businesses and other entities, we managed to identify the aspects of the region to be included in the marketing profile. In addition, we developed a list of available municipal sites. The list and the attached technical specifications are included in Silistra's brochure. Doing this wasn't easy. Our meetings were heated discussions but always ended on a positive note.

There is one message, an approach that I wholeheartedly recommend. During the whole process of development of the marketing materials, we discussed the text, the design, the photographs, with representatives of different target groups. Municipal councilors were also involved. We went to local businesses and asked them to tell us what should be written in our brochure. Quotes from our business people are also incorporated in the brochure. Business believes business, as marketing experts like to say. Local journalists also rendered valuable assistance. They readily responded to our request and gave us ideas how to structure the brochure's contents. We are thankful to the Peace Corps volunteers who not only translated the brochure but gave us valuable ideas about its content and design. We also got professional marketing assistance. We visited two companies in Kettering, Nova and Chezano. Their professional advice was really free thanks to the successful marketing efforts of our colleagues Jeff and Brenda.

Our products. In the exhibition section, you can find Silistra's marketing brochure. However, this is its second edition. Under the Technical Twinning Program, we managed to publish this brochure twice within a year and a half, two years. The first time, with the financial assistance of World Learning's TRANSIT Program, and the second time under the Technical Twinning Program. When identifying the structure of our brochure, we followed 3 or 4 important criteria. The structure of a brochure should provide for easy updates, quick printing and low price. Also, it should provide an opportunity for additional information. These criteria turned to be very successful because our brochure, at the time of its second print, cost us less than the first edition. That's the first benefit. The second benefit. We managed to remove some errors that were made in the first edition. I hope we didn't make other errors. Also, as a response to business requests and interest, we developed a brief background reference for our municipality which contains demographic, economic and other data needed by businesses. This short reference was included as an additional material to the new brochure. So, my advice is: have a look at Silistra's new brochure.

When identifying the text, we followed the KISS principle, keep it simple. Also, we decided to incorporate quotes from our business representatives. We wanted to demonstrate what business thinks of us, because business believes business. The mission of our organization is contained in a single sentence in the central brochure.... The central section of the municipality's brochure: "tradition-based, progress-oriented".

Design and photographs. It is very important, said our Kettering partners and we saw that for ourselves, that only 50 percent of what is seen, 30 percent of what is read and 10 percent of what is heard is remembered. This is why the images in a brochure

should relay its content. It is also good to choose an impressive design, such as ours, I hope.

What does Silistra's experience demonstrate? We were convinced that the development and publication of a marketing brochure cannot provide sustainable positive results by itself. The latter needs the development and implementation of a proactive strategy. Our strategy included direct mailings of the brochure to companies. The brochures, accompanied by a letter co-signed by the mayors of Silistra and Kettering, was a direct message to businesses. We sent those messages not only in Bulgaria but in the US, too. A special attention was paid to the organization of an investment forum in our city. In September of last year, we hosted the "Silistra – the City of Your Business" investment forum. The preparation took a month and a half and I really felt bad for our counterparts in Kettering, who were constantly online for us. Steve Husemann actually said once that they are getting more emails from me than he sends to his city's employees. At the forum, we managed to attract commercial attaches, representatives of business organizations and representatives of our sister cities and companies from Romania and Turkey.

We are currently developing a web page for the Municipality of Silistra, as well as a program for participation in trade fairs. Practice has demonstrated that municipalities participate in trade fairs without a preliminary program, without any idea which companies are exhibiting at the fair, and without a clear idea of what they want to achieve. We found out that 65 percent of the work on a trade fair is done prior to the fair. This is what our counterparts in Kettering have done. They have developed a very pretty display and use it to present Kettering's potential depending on the topic of the trade fair. We are convinced that this is the only way in which smartly invested stotinki will work against wasted leva.

Another success was our participation in the investment forum held at the beginning of June of this year, "Real Projects for Real Investors".

So, what did I present so far? Silistra's experience in the development of marketing products. In the process of cooperation with our wonderful counterparts from Kettering. And, I hope, we've observed some of the marketing principles. What didn't I present, what haven't I said so far? As it turned out, by the end of the program we realized that the two areas of cooperation, economic development and park development, can actually be united in a single one. As mayor Andonov mentioned, he park in Silistra offers potential to businesses, potential that we can developed, market and make money on. This will be the goal of our partnership in the future. Also, thanks to our joint efforts, we realized that the marketing of a municipality can't be effective by itself; it is necessary that we all work within a regional partnership network, in order to be successful in our marketing efforts. This is why we supported the Danubian Dobrudzha Cross-Border Cooperation Association and jointly developed a regional marketing project for the Danubian municipalities and the municipalities in the Dobrich Region. I hope the project will be successful.

None of this would be possible without the expert assistance under the Bulgarian Technical Twinning Program, the excellent guidance by the Foundation for Local Government Reform, the generous financial support of the US Agency for International Development and, of course, our sincere dedication to the program.

When I was developing this presentation, me and my colleagues decided that we should incorporate something very emotional here to express our gratitude to our friends. However, my poetic capabilities are very limited, so I'll let the music speak.

Thank you, friends.

Ivo Andonov: I'd like to say something in conclusion. A lot has been said here and if I were to summarize what we've seen in the States and the ideas that we've got I'll need a lot of time. There is a curious fact, however, that's worth mentioning. Silistra's been working on all phases of the Beautiful Bulgaria Project and during one of his visits Mr. Antonio Vigilante expressed his satisfaction with the way the projects are being implemented and asked whether he can do something to help the municipal administration. I responded that I'd be very happy if we were included in the JOBS Program with the construction of a business incubator and a business center. Then, he asked me what are my expectations. I was still under the impressions of what I had seen in the US and maybe this influenced the decision to have us included in the program at the last minute, so that today we can enjoy a working agribusiness center and a business incubator at the very heart of our city. Thank you.

Jon Bormet: Thank you very much. We're off to a great start. We will have a break until 11:15, a coffee break until 11:15. I would ask that you try to make it back sharp at 11:15, so we can then start with Vidin – West Carrollton presentation at that time. Thanks very much.

Ivan Tsenov: ...Tracy Williams, Rick Bolton who is with us today, and the whole West Carrollton team. I'm happy that we had the opportunity to use the local government expertise of people who work in the strongest, most decentralized and best developed local government in the world. Because we're all aware that Bulgaria has to accede the EU with strong local government and that when we harmonize our legislation with the European we need to incorporate the best practices, the best ideas and legislative initiatives to achieve this, and namely through our partnership I believe we have initiated such a process. The goal of our partnership wasn't to just implement a couple of projects, to limit this partnership within a one-year timeframe, but to namely create a sustainable partnership between the local governments on both sides, to establish friendships between the people of our cities and by means of this Technical Twinning Program we make our contribution to the development of Bulgarian-American relations and international cooperation. Vidin's citizens highly appreciate what we've done – the changes in the riverfront park, our aspirations to revitalize our city's economic development, the marketing strategy. But what I think is most important is that they understood that Vidin has friends in America and that these friends are people who can give us their ideas, their support in finding solutions to our problems, which is very important so that we would be able to develop the democratic processes at local level and to go easier through this transitional period. I think that this program has taught us many ways of involving citizens in the decision-making process and in municipal government, and maybe we should unite around the idea that local government isn't just the elected officials or the municipal employees, but also the people of the municipality, or that local government are the people. We developed three projects that I hope will become a model for replication by other municipalities, but we mainly tried to achieve two things: to make the life of our citizens better and our cities a better place for living on one hand, and a more attractive place for investment on the other. I believe that we marked a good start and I'd like to thank the US Embassy for their support for this program, USAID, the Foundation for Local Government Reform and ICMA, and to wish good luck to all participants in the program. I'll now give the floor to Mariela Vulkova to present our web page.

Thank you for the attention.

Mariela Vulkova: I'd also like to congratulate the Bulgarian colleagues, as we are really fortunate to have been involved in the Bulgarian Technical Twinning Program, and of course what we've done so far was done against a very tight schedule, driven by our aspiration to catch up with the leading municipalities, i.e. the municipalities that had signed memorandums of understanding before us. We'll have two presentations today that will illustrate the tasks that we have achieved and the results from them. This is a business web page created with the sole purpose of presenting investment opportunities, i.e. to enhance to a maximum everyone who would like to visit the city, to provide him with the needed starting information and to generate initial interest, which would later evolve in needs-based care. We identified two main areas of cooperation with West Carrollton. The first area is economic development. In economic development we had two projects. The first one was the development of a marketing strategy to present the strengths of our municipality, and the second one was the construction of an industrial park for SMEs. In terms of the second main area of cooperation, we decided to work on green areas and park development. This project will be presented by our chief architect tomorrow, together with the West Carrollton parks and recreation director. The secondary areas of cooperation between the two municipalities actually included consulting assistance on request, as it turned out that as a municipality we need consulting assistance specifically in the area of local government. And since cases came up that couldn't be consulted at one level only, we proposed, and of course, our partners accepted. Non-governmental organizations and youth partnerships. Education and culture and drug abuse prevention as secondary areas of cooperation.

The area of economic development was divided in two subareas. I already mentioned the marketing strategy. Its first task was the development of an internet information system that in a... based on the principle of brief information that generates further interest we created this business information web page which I will present in a while. Methods of marketing. I'd like to focus on this as the methods that were employed by the strategy are in general proactive and are intended to achieve the same idea that was the purpose of our colleagues in Silistra – to spur an aggressive, to aggressively present the information, so that it becomes understandable. We also developed a printed material which is based on Dayton's profile. This printed material is available outside. In the area of marketing business exchanges was the next task that we had to do within one year. From this area, we selected the business information web page to be presented as a best practice today. The decision came naturally, as his practice is a good example of how a municipality that never had a policy with regard to marketing itself has managed to make a step forward. The industrial park is the second major project in the area of economic development. Within a year, we surveyed several locations. We were consulted by the American experts which of them is the most appropriate. We are currently studying the types of industrial parks with regard to the requirements in terms of their construction for the respective industries that will be developed, and I hope that in phase four - we all hope that phase four will materialize – to have the opportunity to present this project as a best practice.

The justification of the areas during the first two months of our cooperation. We had to go a long way from having absolutely no idea how and where our American partners can help us. Of course, the economy of our municipality is self-explanatory and justifies the need to choose economic development as major area of cooperation. As you know, we are an area of industrial decline. State-owned companies were

closed. This caused many and significant social and demographic problems. The proximity to the Yugoslavian border and the crisis in that country also limited the economic exchange between our countries and municipalities. So we decided, we confirmed our opinion that economic development should be the first main area of cooperation. The need for marketing is mainly related to the fact that in 1999, when we began our term, the municipality had no marketing policy whatsoever. Previous administrations were operating in a less developed market environment and never felt the need to promote the strengths of the municipality and what it offers as a development potential. The main purpose of marketing and of what we've done was to recruit foreign investments that would provide jobs and would generate revenues. Our citizens are still living through the transition and... don't have many opportunities to make a living. In terms of the generation of revenues, our municipality has great difficulties but I won't delve on this as it is quite clear, most of the mayors are facing the same situation.

Information... another purpose of marketing was to provide information aimed specifically at potential investors, detailed business information with practical application, and not just encyclopedic information of what we are. Another achievement that we were aspiring to was to provide a quick and user-friendly format for the dissemination of this information, and later I'll talk about the approach that we used. And finally, adaptation of a proactive marketing methodology to make Vidin visible in Bulgarian and the United States. And of course, to present the new bridge between Vidin and Kalafat which will provide good economic opportunities.

The development of the business web age took 9 months. During the period, we studied more than 50 business web pages in the Dayton area and the United States. As you know, West Carrollton is located in the Dayton area. There, a team of experts led by economic development director David Humphreys, did the selection, identified the structure and the technical specifications of the business website, which by the way is available to you as a printout in Bulgarian. The site was developed by the marketing and IT specialists of Municipality of Vidin, as well as of the City of West Carrollton, which was a great challenge to us. Because prior to having the opportunity to work with the West Carrollton experts we paid for the development and maintenance of the municipal website. However, it turned out that we have the capacity to do this inhouse and we were encouraged to update... to create our own website that could be updated, amended, would not incur expenses for external consulting services and web design and would protect our rights on the information and the design.

Principles of design. We'll pay special attention to this, as we wanted to provide easy access to the website and had to enhance its design for this reason. The leading principles in design was the structuring of such content that would provide all necessary business information on the own desktop of anyone who wishes to make a trip or simply wants to get informed where Vidin is, where is the bridge on the Danube and Vidin, of course, and what are we in general. The site is created in such a way as to provide and require additional information. There is a link on the main page, "contact us", which provides this opportunity. The website is utilizing the most effective means of disseminating information about Vidin's economy, workforce and available sites. This means that in the process of our studies we found out that printed materials would be more expensive than the creation of such a website that will be the basis for its further development, as at present we're unable to finance the development and printing... to create printed materials. Of course, at present we are implementing this policy with external assistance.

Other principles of design. With regard to information, the information is general but allows for getting into details. I'll talk specifically about the major employers. We have links to the websites of our largest employers, i.e. those of them that have their own websites and we'll continue to develop this aspect of design in the future. In other words, when a business creates its own web page, we'll put a link on our website. As I said, in the design process we avoided the use of excessive graphics, animation and other web tricks, in order to provide fast access. However, we utilized maps to illustrate Vidin's location and proximity to major markets. In terms of geographic location, the second slide was specifically about the geographic location. While working with our partners, we identified that this is good. Vidin's geographic location isn't as bad as we thought initially – peripheral, close to national borders, etc. of course, the construction of the bridge will make it an even more strategic location. The business website content is focused on the transportation opportunities provided by the city, which corresponds to the vision of the municipality – its transformation into an administrative, transport, commercial and communications center of regional and international cooperation. The information is available both in English and Bulgarian. We have provided information about distances to major Bulgarian and European cities, which is convenient not only for our guests but for ourselves as well when we need to take a trip. There is also demographic information, the division of population by age groups. We've covered the available workforce and its training levels. The prices of electric energy, communications, water and sewer are also presented. We are located in a region that's rich of water. Information about major employers in a table format and links to their web pages are also available. This has been done. I already spoke about this. Of course, one of the greatest strengths of the business website is that, for the first time, we have presented the municipal companies offered for privatization and the sites available for development. Until now, the Municipality didn't have a targeted marketing policy in this field. A good result with regard to this is the fact that we did a comprehensive inventory of municipal property and got a full list of municipally-owned properties.

Now I need to get out of this presentation for a second.

This is an additional result which we achieved with regard to the development of the web page, the so-called presentation for entrepreneurs, aimed at presenting the 12 most significant municipal sites and their location. The presentation has 2 parts. The first part focuses once again on general information about Vidin, its location, the mission of our local government, natural resources, area, European corridors 4 and 7, customs and opportunities provided by them, water transport, air transport, what is the municipality, what is the labor market, cultural institutions. The second part is focused on the economy and contains two slides that are used to demonstrate the sites that we are trying to develop. I didn't tell you about the prices of municipal property – zones 1, 2, 3, the prices of agricultural land, too. We grouped the strengths in 4 individual slides, as we believe that a focus on them would be useful, would present us better. And now we get down to the investment opportunities. What we have here are our short-term and mid-term aspirations. Development of agriculture, of course. And we get to the second part of this presentation which, as I already told you, includes 12 major sites and not only provides information about them but also somehow shows what they look like. Our intention in phase four is... the business park for SMEs is also presented on an individual slide. Our intention in phase four is to print this material in a format that would allow each of the sites to be presented on a separate page and would thus make it easily accessible.

Let's go back to the business web page. A link to this material is provided on our page, so anyone interested can download it. And since I now how unfavorably I view the information that needs to be downloaded, we decided that we should still develop it as a page later and to incorporate it as an additional link to the main business website that we developed under the partnership. The business website has a special spot where we present the projects the Municipality is seeking funding for. And since we are determined to develop quality cross-border cooperation, we've uploaded three of the Municipality's projects with regard to the restoration of the traditional international fair in Vidin, an event that existed for 92 years; the reconstruction of the Baba Vida fortress and its adaptation to the new environment; and the SME project, of course. On January 18 of this year, the mayors of Vidin, Kalafat and Zaichar signed a memorandum of cooperation, which effectively created the Euroregion.

Jon Bormet: If I may. What I'd like to do is make a small change in our breakout sessions. And I think that the website information is very interesting and if we can do that breakout session in this room... is that OK, Ina, if we stay here for the breakout session for the website? That way you would have access to the projector and you can talk through more detail to those people who'd be interested in pursuing a website development. OK?

Mariela Vulkova: OK. I'll give the word later to Tracy Williams who will say who exactly were our partners from Dayton area.

Jon Bormet: We have about 5 minutes to finish up.

Mariela Vulkova: OK, I'm ready to finish.

Mariela Vulkova: Mr. Tracy Williams will now speak about the partners who helped us in this process. What we need to do now – the website is uploaded – what we need to do now is to register it with the major search engines and to disseminate it.

Tracy Williams: Thank you, Mariela. I just want to take a moment and say that in the development of the website I really think the real value to that was the inventory of economic assets to the City. The compilation of the information create the website, the process that we went through to do that was really what's important in developing the product. So I just want to emphasize that and developing those marketing materials for the City. When we went there, they had no understanding of an inventory of available sites. And so we went through and did some of that; they did, they went through the process of developing that basic information. We talked about the need to be proactive and aggressive in promoting the city, to increase its visibility. Particularly with conjunction of new bridge that will be built in Vidin over the Danube river. Location, as we know, is a critical thing in doing business and this new bridge will increase the visibility of the city as they will be on this major transportation corridor. And so it's important that they prepare themselves for what's gonna happen when this bridge is completed.

I believe that the website will continue to be expanded as they develop links. Many of the companies in town currently do not have their own websites but they will develop those; and those will be added as links to Vidin's website and serve to benefit the communities there are in Vidin. I think the website we developed, if you will, is

just the beginning. It's a platform or a foundation on which they can build. The data that's contained in the website could be used to develop printed material...

Jon Bormet: Auburn and Sliven, you're up.

This is, the next presentation that you're gonna hear is a replication. It's an extension of work previously began, so we'll have a slightly different twist and see how things can be repeated in cities throughout Bulgaria.

OK, let me tell you what we're gonna do and where we'll go from here. We will have this final presentation of the morning; then we'll have breakout sessions and I'll have rooms for you right for that after this. Remember that the website development by Vidin and West Carrollton will remain here, which will be a change.

After... it looks like we will go in from the agenda in just a bit to the breakout sessions. We have a choice of shortening the breakout sessions or starting the lunch later. If you don't mind, then go and shorten the breakout session, then start lunch on time. And just as soon as we're ready to go, they will have their presentation. Maybe.

Ventseslav Kozuharov: Dear colleagues, dear guests,

It is my pleasure to be able to briefly report to you what has been done over a period of more than 3 years; it will soon be 4 years since the municipalities of Auburn and Blagoevgrad began working under the technical twinning project.

It all began somewhere in 1998, when our colleagues at FLGR offered to get us involved in the technical twinning project and the question was which American municipality will be paired with us. I believe that selecting Auburn was an exceptional decision, not only because Auburn, like Blagoevgrad, is an university city with many young people and problems similar to ours, which offer opportunities to exchange ideas about possible solutions; but because our Auburn counterparts turned out to be very active, people with very interesting ideas that helped us learn a lot. And if we can report very good results today, that is to a great extent due to the active efforts of our Auburn counterparts and I thank them for this.

When at the end of 1998 the Auburn delegation led by city manager Douglas Watson and economic development director Philip Dunlap came to Blagoevgrad and together with mayor Kostadin Paskalev began discussing the priority areas of cooperation in which Auburn could provide assistance, it was unanimously decided to adopt two main areas. The first one was the development of strategic planning, the development of a strategic plan for the Municipality for the next 15 years. The second area in which we needed ideas was related to solving the environmental issues at our current landfill. You're all aware that planning isn't a new concept and what was most important for us was not how to develop a strategic plan in general but how to do that so as to involve the citizens, NGOs in identifying the vision and the steps that have to be taken in within a shorter and a longer period. And probably the first significant assistance that we got from our Auburn counterparts was the presentation of the methodology of bottom-up strategic planning. In other words, starting with the ideas of the community and reaching the formulation of the end result. We learned very useful ideas with regard to the work groups that would include municipal employees, councilors, NGO representatives, university representatives, media representatives, so that they could, by seeing things on their own, present the ideas to the public and spur discussions. All this was accompanied by an intensive training course for all participants prior to the initiation of the actual work on the marketing profile. Excuse me, I mean the strategic plan. We discussed the structure of the strategic plan and then we tested in practice in three main areas: economic development, environmental

protection and infrastructure. Those areas weren't selected randomly; the most pressing issues we faced were in these areas. While working on the economic development section of the strategic plan, we found out that presenting the municipality to potential investors is a problem, which is how we came up with the idea for the marketing profile. Actually, when the Regional Development Act was enacted, the development of our strategic plan had resulted in the fact that we had all the sections that the regional government needed us to provide for the seven-year regional plan and the structure that we had used became the basis for the development of the regional plan.

The marketing profile allowed us to create a comprehensive database, but that's something I'll talk about later as it is related to our work with Sliven. I'll talk about the other tasks that we performed during the period. I think that the landfill reconstruction project provided a great contribution to solving Blagoevgrad's problems. We will have a detailed presentation of that project tomorrow and we'll demonstrate why we so urgently needed to solve the problem and how our Auburn counterparts helped us. We are currently continuing our strategic planning efforts in additional areas, such as education and social care. In general, strategic planning is an ongoing process and we'll be adding new sections over the next years.

Apart from these main activities, we also implemented other significant ideas. Municipality of Blagoevgrad's specialists had the opportunity to visit the City of Auburn and learn practices that we gradually started transferring in Blagoevgrad, in the area of solid waste management. The industrial park concept is also very well developed by Auburn. In the area of funding under certain critical legislative acts on important issues, which we adapted to the Bulgarian legislation. And last but not least, with the structure and the development of their GIS, as we also have well-developed information system and digital cadastre and we this is an area in which we have a real opportunity to exchange expertise.

The visits of Auburn experts to Blagoevgrad were also very important. The development of the marketing profile was done with Ed's assistance, he is here today and who spent a month in Blagoevgrad and helped us achieve our goals.

The visit of a large group from Blagoevgrad to Auburn at the end of 1999 was also very significant. Auburn organized days of Blagoevgrad involving an extensive exhibition and a presentation of authentic folklore by an ensemble of 15 whose performances were very successful. That is probably the time when the citizens of Auburn really started talking about Blagoevgrad and Bulgaria, and that is a great investment in the future.

He days of Auburn in Blagoevgrad in May, 2000 were also very successful. A youth jazz band had a series of concerts, many informal relations were established.

We also sent a business delegation to Auburn. They had the opportunity to present their products. We also hosted a business delegation from Auburn who visited our production facilities and tried to find a basis for common business.

The universities of the two cities also established direct contacts. Blagoevgrad has two universities: the Southwestern, with approximately 22,000 students; and the American University in Bulgaria, with about 1,200 students. Close relations were established between Auburn and AUBG and the Southwestern is in the process of creating such contacts.

And last but not least – I deliberately left it out for so long, as we'll now move on with a specific presentation – was the involvement of Sliven in the work group that created Sliven's business profile. A project that, in my opinion, had all three parties learn

something new, because in the process Blagoevgrad and Auburn not only transferred their expertise but also picked up new ideas that were useful for us.

In conclusion, I'd like to thank the US Embassy for their active support to the development of a new type of local government in Bulgaria; to thank USAID for its financial and organizational support for the twinning projects and for many other projects, such as the establishment of citizen information centers; to thank ICMA who were so proactive in the whole process; and of course, to thank our friends at FLGR and Ginka Kapitanova personally for being so close to us during all of these years and for helping us whenever we needed help.

Now, let's talk about the project that we developed with Sliven. I'll change my place for convenience.

In a nutshell. I already told you how we came up with the idea for the marketing profile. It happened while we were developing our strategic plan, when we found out that unless we find a way to promote Blagoevgrad's advantages and a place for investments we would never be successful. Besides, the very necessity of supporting the Blagoevgrad economy requires maximum promotion of all advantages.

How did we start working on the marketing profile? The first step was to identify the structure of the material, not an easy task given the fact a database needs to be created with information for persons with very different interests. This was probably one of the most difficult stages and Ed helped us a lot. We worked with him for a month but I think that what we achieved with him within the Bulgarian conditions is a good result and the replication of this experience in Sliven proves me right.

The collection of information was done by work groups that involved people of different trades. These included also institutions not related to the municipal government, such the statistical bureau. The process was lengthy and difficult as in Bulgaria data is not concentrated within the municipalities and its collection is sometimes based on personal acquaintances and not on legislative procedures.

The information was grouped and edited. The editing had two purposes: to subject the material to one structure, and to make it both concise and useful in order to save our readers time. The latter is critical for everyone who works on this topic.

And finally, we discussed the material with our Auburn counterparts and finalized it.

The last issue that we needed to solve was how to publish the material and how to make it public. I won't tell you why internet publication is one of the best options because of its flexibility on one hand, as some of the data needs to be updated periodically, and because of the wide public access to the database via internet, on the other. However, we decided that we should also have a hard copy, too. The English version is exhibited outside. Our hard copy publication is based on the principle that the data that doesn't change much in time, such as geographic information, natural resources, statistics, etc., is presented as a permanent insert, while everything else that is targeted to a specific client is added on request by that client, which makes the publication up-to-date at any time. I believe that Silistra has used the same approach. And I'd readily admit that I've copied some of their ideas and I hope they won't be mad with me about this. So it turns out that the link is not only towards the cities that were directly involved, but also during the work process we communicated and exchanged ideas which resulted in establishing more links in time.

I will now give the floor to Sliven who will tell you about their involvement in the project. Thank you.

Mr. Ivan Slavov, Mayor of Sliven: Ladies and gentlemen,

I would first like to apologize for having Municipality of Sliven's marketing profile presentation take longer than planned. I'd like to thank the Bulgarian Technical Twinning Program for involving the Municipality of Sliven in the third phase, which allowed us, as a replicant municipality, to make use of the best practices developed by Auburn and Blagoevgrad. I'd like to thank Mr. Philip Dunlap, Mr. Ed Gardner, the Foundation for Local Government Reform, the US Agency for International Development and ICMA for everything they did over these years in studying best practices, their replication and development within our country.

I'd like to express the satisfaction of Sliven's municipal administration and citizens with the achievements, to state our expectations that his partnership won't end with the development of the marketing profile and would be developed further to produce practical results for our citizens.

Thank you. I'll give the floor to Nina Marinova to present our business profile.

Nina Marinova: Municipality of Sliven was included in the Bulgarian Technical Twinning Program as a partner of Auburn and Blagoevgrad in the replication of their successful experience in municipal marketing profile development.

Our project was aimed at developing comprehensive information in Bulgarian and English that would provide data about the municipality based on the needs of potential investors. We focused on the municipality's strengths. The structuring of appropriate information that would best present the municipality to those interested, to potential business partners, was an issue that we deemed critical and finding a solution to this issue was a part of major problem that is known to all Bulgarian municipalities – local economic development.

A team of municipal employees began the structuring of available information. And then, fortunately at the very beginning of our work, the Foundation for Local Government Reform offered us to become partners of Auburn and Blagoevgrad. We had the opportunity to choose between several topics. Of course, we didn't hesitate and selected the marketing profile as we had already begun working on it and we realized how important it is to us have and to have a good one.

When we first met our Auburn and Blagoevgrad counterparts, when Philip, Ventie and Temenuzhka came to visit us, we found out that fate had made us another present – or maybe FLGR – because they turned to be wonderful partners who at the very first meeting transferred their enthusiasm to us, won us with their goodness and made us respectful of their competence. Back then we knew we would have a good partnership and we would do a good job with them. We accepted Philip Dunlap's suggestion to have the information in an electronic format, to develop an electronic marketing profile. He was very convincing when presenting the advantages of such a profile. The experience shared by Blagoevgrad was very valuable. They were also very convincing when presenting the advantages of their work and of the final product. So we decided in favor of an electronic marketing profile that provides opportunities to deliver targeted, user needs-based information; a profile that allows for fast and easy updates given the dynamic changes in the municipal economy; and finally, a profile that would help us to avoid expensive printed materials and would allow us to provide individual printouts based on the specific needs of the users.

One thing that we believe was very important during the time of our joint work was the way we worked as partners. We really worked as partners, we kept in touch and by email, but what we believe was exceptionally important was the fact that we worked together and we had the opportunity to meet. The partners from Auburn visited Sliven several times. Philip Dunlap was our guest three times during the

period. We had the luck to work with Ed Gardner. Temenuzhka Stambolieva and Ventseslav Kozhuharov also often visited us, so we had the opportunity to exchange information directly, to have immediate contacts.

How did this partnership help us? Firstly, thanks to the fact that we worked with experienced people, we were able to faster formulate our vision for the marketing profile, to faster and more easily agree on the profile's structure and design, to avoid some of the mistakes that would otherwise be inevitable...

...Local Government Reform who were also directly involved in some of the meetings. And of course, for the permanent consultations that they provided during project implementation.

A little bit more about our partnership, and specifically about the stages of project implementation. We started with the first work meeting at which we adopted a timeframe of our future efforts. I'll use a very brief example to illustrate the effect of this meeting. While we were expecting our partners, we knew what we expect them for. Our preliminary comments were that we already have most of the information and maybe we should only spend a little bit more time on structuring it, and we more or less hoped that our job won't be very complex. However, after we sent our partners hope, we exchanged knowing looks and we told each other that we'll have a lot of work.

Getting the team together was the next step. The team consisted mainly of people within the municipal administration. An external expert was only used for web design. Summary and analysis of information. First, we went over the available information and we tried to subject it to the principles that we had adopted. We updated the information and shortened, to a great extent I would say, those elements that weren't critical for our profile.

Web design. This stage was parallel to the information update.

The next step involved the finalization of the website and its upload on internet.

Translation of the information in English. Again, I'd like to thank the Foundation for the translation was done really fast and very well thank to their assistance.

The next stage involved the development of the English version of the website and its upload on internet.

And now about something that I wouldn't call a stage but rather a process that ran parallel to all stages and that will probably go on forever.

I'll briefly talk about the product that we created under this project. I wouldn't like to expand on what our site looks like within such a limited time and I definitely think that what we need to do today is to explain how we worked as partners. However, I would briefly mention what kind of marketing profile we have developed. My colleagues already mentioned the main characteristics and I also talked about them as criteria, as prerequisites for our work. In a nutshell, fast and easy access to information needed by potential investors, brevity, specific information, opportunity to have the profile used by an unlimited number of users, fast and easy updates, cheaper than printed materials.

I'll use a graphic to illustrate the structure of our website. You can see it for yourself, so I won't talk about it in detail. The "welcome to Sliven" section provides a brief description of our city. Then the user can access additional information aimed at people who are really interested in the city's economy. A resume of advantages, of course. Information about municipality of Sliven: geography, demography, municipal government. Here, you can access municipal council ordinances and municipal programs related to business. The "economy" section presents the industries, the major employers, the workforce, the business environment. "Lots and buildings" is

another important section; it presents available lots and buildings. The “for you, investors” section is an attempt to provide additional information that is important to business representatives. The site will contain a publication entitled “Sliven Business News” and will feature links to other sites. Of course, we have to do a lot more before we could say that we’ve developed a really good site, but at least we know what our site lacks and this will help us to improve it.

Jon Bormet: Excuse me, forgive me, we’re just about out of time. Is this something that we could also discuss in the breakout session? Is that OK?

Mayor of Sliven: If I may. Thank you. I think that we’ve talked just about enough about Sliven. I think that we managed to do what we were supposed to, and namely, to present Sliven and the methodology that we used. Thank you for the attention. I think that we can go by the schedule.

Nina Marinova: I wouldn’t like to bore the audience but what I think should be said, apart from the specific effect from the project, is the trilateral partnership that actually went beyond the limitations of the project per se. We had the opportunity to also discuss other topics with our partners from Auburn and Blagoevgrad, including the idea for an industrial park. And one thing that I really need to mention is the fact that on Philip Dunlap’s proposal and with the assistance of the City of Auburn two of our municipal employees, something we hadn’t planned for. They had the opportunity to meet their counterparts in Auburn and to see how they do their jobs. And last but not least, this project produced one more effect. An effect not only for us, but for all Bulgarian municipalities. The meetings that the Foundation for Local Government Reform organized were very useful to us because they gave us an opportunity to get acquainted with all partnerships under the program and encouraged new ideas and aspirations for a different style of work.

Ed Gardner: Since we’re running very late, I’m gonna make one quick comment. I’m gonna save the marketing comments for the breakout sessions. Just wanted to say that I’m very happy and hope that most of the Bulgarian partners have had a good experience from this partnership with the American cities. I’ll just say from our perspective, from American perspective, as a young manager working for a city in Auburn, we have also gotten tremendous amounts out of this partnership. Primarily, we have been in public administration we are always dealing with limited resources. But that brings a whole new meaning when we come to Bulgaria. So, what we’ve learned is to be able to present a problem and dealing with limited resources and present it with limited resources to be forced to think out-of-the-box with our counterparts. But.. that’s all the comments that I’ll make at this time. Blagodarya vi mnogo. I’ll see you in the breakout session.

Jon Bormet: OK, thank you very much.

OK, do you have a pencil handy? Because I need to give you some room information. We’re gonna go immediately to the breakout sessions. The... and I’m... I’m changing, I’m sorry. In this room, in the Imperial room will be more about Abington and Haskovo, including there will be showing you a DVD, as I understand it, that they have prepared. Kettering – Silistra will be in conference room Varna, and all the conference rooms are upstairs. OK? There will be a sign outside of each room. Look for one of the FLGR/ICMA folks and they will take you there. So, Kettering and

Silistra is in Varna. Vidin – West Carrollton is in conference room 1. And Sliven – Blagoevgrad – Auburn is in the pool conference room, which I understand to just really be a pool conference room, and not the pool. For our Serbian folks, if I may, the Serb delegation... Tony, grab them and don't let them leave. OK? That's it. Let's go to breakout sessions, lunch and we'll meet back here at 2:30 sharp to get started for the afternoon. Thanks very much.

No, it will be consecutive interpretation and we will have somebody there.

/breakout sessions and lunch/

Jon Bormet: Good afternoon and welcome back. And thanks for coming back. It's a beautiful day.

We are going to get started this afternoon with a topic that to many of us seems very logical on a day like today, and that's tourism in Bulgaria. And what Brunswick and Razgrad have done working together to promote, to begin to promote tourism to that region. With that brief introduction, you're up.

Stanka Anguelova: Ladies and gentlemen, guests and participants in this forum, First of all, I'd like to give you the best wishes of Razgrad's mayor, Mr. Venelin Ouzounov, who is out of the country and cannot attend this conference. The twinning relationship of Brunswick and Razgrad was initiated in 1998, as a natural continuation of our active involvement in USAID programs, incorporated in the Local Government Initiative. We thought that we shouldn't stop because we are one of the ten pilot municipalities that were selected back in 1995. And if we have to identify the key to success in what we'll try to demonstrate today, it would be fair to thank the American experts and the managers of those programs that target local government in general. I consider this twinning program a part of the joint efforts and a part of all useful initiatives that were initiated for us to build such local government that would be able to meet the challenges of our time.

As local government officials, we are used to measuring the results from a project by "this what" and "so what". What did you manage to accomplish and how will we make use of this success to move on, not to stop at a certain phase but to seek opportunities to replicate our success in other municipalities. What was common and motivated us and our counterparts in Brunswick was the fact that the two teams, of Brunswick and Razgrad, consisted of very experienced individuals. Skip has more than 20 years of experience in local government; I won't tell you how long mine is. Mr. Ouzounov is a mayor for a third consecutive term. We had accumulated experience that we regard as a generator of ideas and believed that the people with experience do have a future in government. We bet on this and everything that we did during the three phases and that we intend to continue by expanding the circle of participants in our initiatives, is aimed at the further development of the accomplishments during the first two phases. Because nothing can begin and be completed within the term of a single project, be it one or two years. Other things are measured by time, but such initiatives as the ones we have planned cannot be limited in time. For this reason, the first thing we decided to work on was the development of tourism development strategy. We consider the lack of such strategy one of the weakest spots of our municipal government. We are not using neither our natural nor our historical resources and we seem to believe that this is something out of the ordinary that doesn't fit our area. The tourism development strategy – as a part of the overall municipal development strategy – turned out to be a step forward, as the

Bulgarian participants know that a tourism act was adopted and the municipalities are required to develop such programs. We will have a fund to finance these initiatives; we will have municipal fees to generate revenues to the fund. What better proof that we have identified the right idea! In a few minutes, Iliyan will present the purpose and the expected benefits of this strategy. However, the second area in which we focused our efforts during the third phase of the program was related to the development of several training modules; as it is not a secret that Bulgarian municipalities' capacity is not at the desired level. And if there is a municipal management team that doesn't think we need training, they will be wrong. Our modules are need-based and will help the Center for Economic Development, which was established during phase one, to expand its activities with additional services. The third area of our cooperation was an amendment, an update of our municipal marketing profile. We had a hard copy profile that was presented during phase one, but then we realized that it would be better to change the format and make it electronic. This allows us to update the information and to make changes that would generate more interest in our municipality. The fourth area of our cooperation was an opportunity to replicate our experience with the marketing profile in the municipality of Novi Pazar. We helped them and we funded the development of their own marketing profile. The proof of all this can be seen outside; we've brought some materials that we can talk about at length but the time is limited and I wouldn't like to do that right now. There is something that I need to share, though. It is impossible to illustrate, with any brochure or with the use of this wonderful equipment here, the purely human relations that we established with the Brunswick team. And if I have to add to what was said during the morning session, that 50 percent of what is seen is remembered, I would add that 100 percent are remembered and never forgotten the moments of happiness and of some lapses, some difficulties that we've had. With our Brunswick counterparts we became one team that doesn't need to report or to measure its achievements. Our relations will continue on a purely human basis. By the way, it is I Skip's fault that Mr. Ouzounov ran for mayor for a third consecutive term. He told him that one should never stop in the middle of the way. He was one of the consultants on this decision and I think that his opinion prevailed.

Ladies and gentlemen, I think that there is one thing that needs to be mentioned here today. I've been watching the presenters and I feel proud with them. I see something that the Bulgarian municipalities are lacking. The self-confidence that was gained step by step and that is evident in each municipality's presentation, in every project that for the last 7 or 8 years we have implemented with USAID funding. And I'm sorry that the ambassador isn't here but I have to tell him that there shouldn't be even a shadow of a doubt on behalf of the donor. Not a single cent of the millions invested in the Bulgarian municipalities was wasted. We have developed a capacity that cannot be measured by what we can relay in half an hour. We grew up because we selected the area that we want to change by ourselves. And I think that none of you can say that a project was imposed on them or that some kind of framework was imposed. We selected the areas for change ourselves and this makes us more ambitious, makes us stronger and I can tell you that we are all in phase four already. In conclusion, I would make a suggestion on how phase four should continue. Before that, though, let's see a brief presentation on why did we choose the development strategy, what did it give us and then I'll share my idea.

Iliyan, go ahead, please, and mind the time.

Iliyan Nikolov: The idea for this project is based on the fact that we realized that we are not utilizing our tourism potential and that we don't have an adequate strategy on how to use this potential. As many of the Bulgarians know, Razgrad is not a traditional tourist destination. However, we have our values in terms of history, of culture, of archaeology and spiritual development. This is why we decided to find a way to utilize this potential to the common benefit, to achieve certain results. When the above-mentioned weaknesses became apparent, Municipality of Razgrad's management decided that one of the projects under the Bulgarian Technical Twinning Program would target tourism development in our region. To multiply the effect, we decided to invite the municipalities of Veliko Turnovo and Shoumen to join us, as they have a much greater potential in tourism. Our first step was to invite the mayors of these two cities. We had a meeting in Razgrad and the mayors signed a tourism development agreement. This was the initial stage that united us and demonstrated our commitment.

Work teams were then established within the three municipalities that were assigned the further actions under the project. The main goal after the tourism development agreement was signed was to develop a tourism development strategy that would serve as a framework for the process in the future.

The main goals incorporated in the strategy – as you can see on the slide – were to create a common competitive tourist product, to promote the tourism potential of the partnership and to increase the flow of national and international tourists. We also incorporated a series of short- and long-term tasks. The short-term ones included: development of good communication channels; development of a common database of tourist sites and events; identification of priority types of tourism; development and publication of promotional materials. The long-term tasks included: unification of public and private sector efforts to achieve a maximum utilization of tourism potential in the three municipalities; and establishment of tourist information centers in each city. An important step in the course of the project was the collection of up-to-date information to be flexibly used for the purposes of the strategy. This information was accumulated in an electronic database and can now be easily used for different purposes.

Municipality of Isperrikh also demonstrated interest in the project. This is a small municipality that borders Razgrad and is the home of the famous Sveshtari Mounds, which makes it very interesting for the tourists. So, we had one more participant and this was one of the additional benefits from the project.

Representatives at different levels were involved in the work sessions: mayors, deputy-mayors, municipal employees and specialists in tourism. We identified the priority areas for tourism the way that we saw them on the basis of the information collected. They fall into five major areas. The first one is archaeology and history. Then follow Renaissance and ethnography, architecture, art and cult monuments. Photos were collected and used in the tourism brochure. A page of the brochure is shown on the slide. It is available outside; I think the copies that we had exhibited are gone, but if someone is interested we've brought several more copies. The brochure will be used to promote our product before tour operators and tourists who would like to visit our region.

We are glad to share that all short-term tasks have been accomplished, as well as some of the long-term ones. Tourist information centers were established in Veliko Turnovo and Razgrad; another one is to be established in Shoumen soon.

The tourism development strategy was one of the decisive factors that won the Municipality of Razgrad a new project. The project is called "Festival of Popular

Tradition, Crafts and Yogurt” and I funded under EU’ Europe Program. It will be held from July 4 through 7 this year and I’d like to invite you all. I think that this will be something new, something unique and it will be our pleasure to celebrate with you. Several private companies are also involved in the preparation of this event, which is a proof of effective public-private partnership.

The action plan to the tourism development strategy involves the following major steps to be made during this year and the next. These are not all, I’ve simply tried to show the most important ones. And namely, development of a marketing plan and development of a product for the schools. You are aware that the schools organize trips every year and our goal is to attract some of these students to visit our sites. We will also try to attract tourists from our sister cities. Participation in tourism fairs. This is the best place where we can promote our tourist product. Also, joint work with tour operators not only in other cities, but also in Razgrad, Shoumen and Veliko Turnovo. And of course, tour operators from the large cities in the country, mostly for organized trips.

What are the benefits from the implementation of this project? Most of all, we managed to raise issues that have not only cultural but also economic significance. Because tourism is an economic tool, it’s an industry and by having a potential that remains unused we are wasting our resources. The update of the information on tourist sites was critical. This gives us an opportunity to conduct accurate analyses and forecasts related to tourism development. Veliko Turnovo’s mayor...

...and a part of another subprogram of our project in phase three of the Technical Twinning Program, and namely, one of the training modules that were already mentioned. This is the tourism development module, one of the several that were developed with the active involvement of our counterparts in Brunswick. Which is why I would give the floor to Brunswick’s city manager, Mr. Robert Trimble, to present the training modules.

Robert “Skip” Trimble: Thank you, Iliyan.

The Brunswick team realizes there really is no area of weakness in Razgrad; there are only areas of greater opportunity. And what you have seen here is one of these areas that we have worked in. we knew, after the creation of the Center for Economic Development, that we should produce products for the Center for Economic Development. We produced 9 products that that center can sell or provide information to other centers. Those products were called modules. Strategic planning development was one module that we produced. Now they can provide assistance to other communities. A marketing module, an actual marketing 101, you might say, how to actually market your product, be it a municipal product, be it a private entrepreneurial product. Municipal marketing itself was another module that we produced. English as a second language or English as a foreign language was the fourth module we produced. It is an ongoing product that is now being used and we are teaching businessmen and government leaders in Razgrad English for their purposes. We produced a module that would allow training of trainers and many of you might have been to that kind of training. It would allow trainers to be produced to take these modules to other communities. Tourism was one of those modules that we worked on that hopefully was the stimulus for this particular presentation. The demography model for economic development was an eighth module. And a business incubator development module is one that we helped produce and there is a business incubator right now being operated from this project. Finally, there was another module that was produced locally by Mrs. Angelova for budgeting and best practices. Again,

being operated out of the Center for Economic Development. The project itself basically is all about marketing. Marketing all of these products. One of the things that I think is extremely important to note, is that at a news conference several days ago it was announced by the EU that they will be spending a significant portion of their money into the new eight EU communities on local government and infrastructure development. To that I say we in this room are ahead of the curve; we have done that. I hope FLGR takes advantage of what we have done and perhaps uses their expertise in those other communities and perhaps leads the way and shows them what we've done, use us as models. Again, real outcomes have happened here. We have an incubator that is up and running, that has brought employment to the community. We were actually teaching people from these modules, be it English, be it budgeting. We were doing things from the Center for Economic Development. We are actually utilizing, from the City of Brunswick's perspective, one thing that's different than maybe in the other communities, we realized a long time ago that we did not have all the resources to be able to help Razgrad. So we utilized private entrepreneurs, we utilized individuals in the private sector and NGOs in our community to bring that level of education, that level of information to them. So that all of these products were not just produced by the City of Brunswick's employees; they're produced by our affiliates – the Akron Regional Development Board, the Greater Cleveland Growth Association, the Tuscarora's Economic Development and Tourism Board all have lended a hand to provide information to Razgrad to produce the products that you have heard about today. We have also lended a small hand in producing, in helping produce things like a web page. Those things are up and running. We were a little ambitious, we thought, but we have produced a lot of products. Actually, 10 to be honest with you, and you have heard of only one today. We're very proud of our relationship. We think that it can be expanded, that others can also be brought on board, and we certainly hope that USAID, ICMA, FLGR will see that this program does get extended into another phase.

Thank you very much.

Jon Bormet: We have about 3 minutes.

Stanka Anguelova: Two of them I will give to Mr. Sokolov if he wants to say something about the replication of our experience in their municipality. He is the mayor of Novi Pazar.

Sokolov: thank you. I'm the mayor of Novi Pazar, a municipality located approximately 40 minutes way from here and doesn't differ from other municipalities in terms of its socio-economic development. All municipalities are eager to recruit foreign investment, which made us try and find such materials and opportunities that would better present our municipality and would attract external funds. I think that our municipality has always aspired to follow good examples. Such a good example to us was the Municipality of Razgrad, which I believe could be a model in working with non-governmental organizations. And I'm very happy that we managed to become its partner under the Bulgarian Technical Twinning Program. I think that what can be shared as a problem with the development of the marketing profile was already explained in detail by the previous presenters and I shouldn't be repeating it. However, I believe that the fact that today I can hold the marketing profile and can see its dissemination is due mainly to the people in this room, to the Foundation for Local Government Reform, to USAID, and if I want to thank for something it would

be their moral, methodological and financial assistance. We all know that money isn't everything, but everything without money is nothing. Thank you once again.

Stanka Anguelova: And the last minute is for the facilitator. Again, thanks to everyone who gathered us here, to the Foundation that was so patient with us – because we sometimes didn't meet their requirements. And now I'd like to propose something that I came up with in respect to the continuation of the project in phase four. Why not include an initiative that would involve all the Bulgarian and the American municipalities present here, some kind of a common initiative of those who had the opportunity to benefit from this project. I think that this would be feasible in applying for an extension into phase four, as we all have the experience, the potential, and I think that we can divide any responsibility that could be usable in their application for the next phase. Again, thanks to everyone who gave us an opportunity and who contribute to the strengthening of Bulgarian municipalities' capacity and to the improvement of our self-confidence; because this is what hinders us a lot in our everyday jobs. Thank you for the patience and I think that we were able to finish within the timeframe. More questions during the next session. Thank you.

Jon Bormet: Thank you. Thank you very much for your presentation. Next step we have Pazardzhik – West Bend. And for the rest of you, I would ask to please for one minute join me in standing up. If everyone, please stand up. I just think we need a little seventh-inning stretch, in United States baseball terms, o'kay? It is traditional that we sing in seventh-inning stretch and Phil will be leading us on that.

Ivan Kolchakov: Ladies and gentlemen, hello from the Pazardzhik/West Bend couple. It's difficult to do presentations on such a nice day. However, it would be our pleasure to present the achievements of our cooperation. And since I'm the mayor of Pazardzhik, I'd like to use this opportunity to mention the general benefits from a political point of view. Of course, I also join all the thanks to the Bulgarian and the American organizations, to all those people who are involved in the implementation of this program. After more than 11 years in local government – 2 terms as a councilor and now as mayor – I can confidently say that this is the most effective way of finding solutions to Bulgarians' problems. 12 years ago, when we were coming out of the conditions of the centralized nation-state, we had to build democracy and market economy in a country where the people had gotten out of the habit of showing initiative, a country where the people were made to follow orders without thinking. And in that vacuum, we had to create new skills and prerequisites for the people to take advantage of the advantages of democracy and to understand that democracy is the best environment in which they could be happy. Of course, democracy doesn't automatically guarantee this happiness. We had the opportunity to participate in a program that allowed us to learn many valuable lessons on how to succeed in a market economy and a democratic environment. Again, I'd like to thank city administrator Dennis Melvin who is in Bulgaria for the fifth time. He is in love with Bulgaria and we are in love with West Bend. So on the basis of this mutual trust that we have established, we now have the opportunity to regard our problems from a different point of view. I'm also a businessman. And our American friends taught us that where there are significant problems, there are also great opportunities and great development potential and opportunities for citizen participation. Through our joint projects we effectively provide this process of democratization, of decentralization, of transfer of more powers to the municipalities and hence to business, NGOs and

citizens. Of course, we are at a certain stage of this process and we, the mayors and the local governments, require a lot from our national government which still remains very much centralized. And we have to thank USAID which, through other programs and initiatives also, and through partnerships with other organizations, provides us the opportunity to do this at national level. Of course, I'm tempted to mention the progress of my municipality over the last two years in terms of projects and programs implemented and in terms of a level that we have reached; and to also say that we would certainly survive without this partnership, but this partnership is an important element of our success. So, please, let me briefly describe our achievements.

We have three projects under the Bulgarian Technical Twinning Program that we proposed in the year 2000 and that were accepted by our partners. These are the projects for the establishment of a new economic development zone; due to Pazardzhik's success in recruiting foreign investors over the last couple of years, we started running out of lots and territories available for business development. Secondly, we selected the development of our geographic information system which we will present at this conference. This is something that more than 90 percent of the Bulgarians would consider very modern and advanced, a project that our friends have completed 3 years ago. And finally, we have a project about the Ostrova Park, which we believe is almost as old as the one in Silistra, being established in 1882. Of course, there are indirect and at the same time critical effects, such as the improvement of the administrative capacity of our municipality. Our young employees learned to think one step ahead, like their American counterparts, i.e. not to wait to be given an order but to be modern and dynamic administrators. And this is a huge benefit and an investment in the future. Of course, all this allows us to create a successful model of local government. In conclusion, I'd like to share several objective indicators illustrating what we have done over the last two and a half years. Last year one of the most important rankings in which we were included, was the human development index of the UN Development Program. The annual report on the condition of the Bulgarian municipalities termed Pazardzhik the most progressive municipality of the year. Of course, this is a comprehensive index compiled on the basis of economic, cultural, social, healthcare, educational and other elements, but it comes to show that in the competition with the other Bulgarian municipalities we and our counterparts and friends have managed to find the right way. Our municipality represents Bulgaria in the World Bank's Cities of Change Program which involves five countries. And we have the honor and the responsibility to work under this prestigious program. Of course, the scores of projects that were implemented cannot and should not be presented here. However, we are taking full advantage of the freedom that we have at the moment to demonstrate the advantages of democracy as a philosophy, to change the thinking of our fellow citizens and of Bulgarians in general, because Bulgaria has resources – both in terms of people and nature – but we have a great problem. And that problem is our thinking which hinders us from making use of our enormous potential. And I'd like to finish by saying that the Americans have such a material potential that they could sustain us for many years; but this isn't necessary, as we have enough resources in this respect. And if Bulgarian bread isn't sufficiently good yet, it is because it lacks good yeast. And yeast is a very small portion of bread but we and our partners found a good recipe of making good bread and I hope that the successes that we had while trying to democratize our municipality, while trying to achieve local development, are a good form of demonstrating the fruits of the cooperation. Of course, we are very much impressed by what all the other partnerships have achieved and we have the intention to visit them all and to copy and

replicate their best practices. I went over the time limit by one minute, so thank you and I give the floor to my good friend Dennis and our presenters. Of course, I take the opportunity to thank the representatives of our neighbors and friends from Serbia, Romania and Hungary. Because the effect wouldn't be complete if those partnerships remain within our municipality only. It wouldn't be complete even if they remain within our country. We have to learn to live as well as the individual American states that form the supercountry United States. We hope that with the support of our friends we'll be able to do this. Thank you.

Hristo Ivanov: Hello everyone. I'd like to join to what mayor Kolchakov just said and would like to mention something personal that demonstrates how important I think this program is. By taking the invitation to join you here today, I took the risk not to witness the birth of my first child.

The idea to create an economic zone in the city of Pazardzhik came up during the work of the cities of Pazardzhik and West Bend under the Bulgarian Technical Twinning Program of the Foundation for Local Government Reform and ICMA. The project is aimed at both creating conditions for finding sustainable solutions to the problems faced by SMEs, and the achievement of several strategic goals incorporated in the municipal development plan. As Pazardzhik's old industrial zone's capacity has been completely utilized, small and medium-size companies (SMEs) are facing the problem of leasing or building their own production facilities. The growing number of requests for the purchase or lease of free municipal lots by businesses is a clear indication that opportunities need to be created to meet private businesses' needs. The idea to develop a new economic zone that would meet SMEs' needs for production, storage and commercial facilities is a direct implementation of the best European and world practices with regard to the relations between local authorities and businesses.

The beginning. The participants in the project included the Pazardzhik municipal administration, the mayor of the municipality, our partners from West Bend and representatives of the Regional Economic Development Agency, a non-governmental entity. An Economic Development Center was established within the Municipality of Pazardzhik, with the main purpose to coordinate the work on this and all other projects in which the Municipality is involved. The Municipality presented to the West Bend representatives the goals incorporated in the municipal development plan with regard to the creation of conditions for finding sustainable solutions to the problems faced by SMEs. A conclusion was reached that the creation of a modern industrial zone would be an appropriate way of achieving this goal. The West Bend team provided comprehensive information on existing parks in their city. Based on their extensive experience, the American counterparts recommended that we use the marketing approach in the development of the zone. We had a series of discussions to identify the focus of our initial efforts. And I think that now is the time to give the floor to West Bend city administrator, Dennis Melvin to present their city's experience with similar zones.

Dennis Melvin: I wanna talk briefly about West Bend's experience in developing industrial parks and I'm not going to elaborate too much. West Bend created its first industrial park back in the late 1960s. And since then we've created 4 additional parks: 1 in 1983, 1 in 1993, again in 1997 and again in 1998. And we expanded one of those other parks in the year 2000. The parks range in size from 70 acres to 210 acres. The very first park that the City of West Bend created as an entirely West Bend project. We purchased the land, we installed the infrastructure, we

did the marketing and... The second park was similar in nature. Again, we purchased the property, with city funds installed the infrastructure. But we started to engage the private sector in assistance to marketing the parcels for sale. Subsequent of that, the last three parks that we've developed have been public-private partnerships. The land has been purchased by the private sector, marketed by the private sector. The City installs the infrastructure as a part of a special financing districts. And we share the risk with the private sector developers in terms of developing the park. Also unique in the last three parks is that we actually have what we refer to as "developers agreements". That developers have to guarantee performance on each of the parks. In other words, they have to guarantee a certain amount of square footage of buildings. They have to guarantee a certain amount of square footage of buildings each year or if they don't meet these levels they have to pay the City for the deficiencies. We also talked about various things that we thought were important to be prepared for economic development of an industrial park, or economic development of an economic zone. Certainly, the issue of having the land available, having the appropriate zoning attached to the property – which is an issue here, in Bulgaria, as we understand it – that it takes some time to get through the federal government for approval of re-zoning of a property from agricultural to some other uses. And we also felt it was very important to consider the proximity of these parks to the appropriate transportation routes and consideration of adjacent land uses. We talked about identifying the size of the parcels. Again, in the United States, because of the use of automobile being larger than it is here, and the larger size of the automobiles, parking requirements are a little bit different here than the would be in the United States. So we felt it was important to consider that issue, keep some flexibility in terms of the size of the internal boundaries of the lots within the industrial zones. Setting aside certain amounts of property for potential retail development along the highway frontage was also an important issue. The third element was to select the option of sale and development of the parcels. As we talked, or as I talked earlier, the experience in West Bend was essentially to end with a public-private partnership and that was the best route. That may not have been the best route in Bulgaria, but it was something that we talked about at length and a decision that has to be made before you can go forward with actually marketing and selling the land. The fourth element was to have dedicated staff for economic development purposes. We felt that it was extremely important to have at least one individual with the Municipality who would be dedicated to economic development and to the implementation of the plan for the economic development zone. That might involve additional staff as well, depending on the size of the community. Some of the other duties of that staff person would be to establish the appropriate rapport with local businesses. Again, crucial element if you are going to try to sell lots, is to have the trust of your business people – especially locally – to be able to go with the development of an industrial zone...

...here, in Bulgaria, we saw how important the Regional Economic Development Agency is, probably even a little bit more so than in the United States. Training of staff and looking at long-term issues of economic development. I think we felt that once you get to the point that you're ready to develop one economic development zone, you really needed to go forward with looking at the next zone that you would be potentially purchasing or securing for another industrial park. We talked at length about marketing. Most of the growth that we see in our area in West Bend comes from within our boundaries. So it's very important to retain the businesses that you have and, again, to develop that trust and rapport with them so that they stay with you and not move to some other municipality. Having frequent contacts with those local

businesses, follow-up visits when they have questions, familiarize with those businesses, what they do, the products that they produce, how many employees they have, the types of employees. All of these issues we felt were extremely important in moving forward.

We talked about two different brochures for marketing. One more for the local business and a second one again looking for the long-term, more of a national approach, international approach to marketing.

With that I'll turn over to Hristo for the results.

Jon Bormet: We have about ten minutes.

Hristo Ivanov: And the process that we used during the project. We began with the collection of information. Based on their experience, our American counterparts insisted that we should start by collecting general statistical data on existing SMEs in the region.

Upon collecting the information about the companies, we conducted an analysis of the data. The analysis involved identification of major businesses by registration (this provides a theoretical look on a company's operations), of industries and of which industries need to be encouraged. In other words, the analysis identified the target groups and their needs that would be met by the creation of the economic zone. The leading principle in the analysis was the identification of the social and financial effects for the Municipality, and namely, that the development of SMEs would reduce unemployment and generate more revenues to the municipal budget.

Promotion. We had a series of meetings with interested groups. The entrepreneurs demonstrated a great interest in purchasing land for their businesses. We also discussed the size of the lots that would be of interest to the SMEs, which allowed us to effectively divide the zone in parcels. Another important issue that was subjected to discussion was whether the entrepreneurs would prefer to finance everything at their expense or to have the municipality provide the infrastructure prior to the sale of lots. The business representatives expressed a preference for the latter. Thus, the direct contact with the interested parties allowed us to collect the needed information both on their needs and on the process of the development of the zone.

Upon processing the feedback, we identified the vision statement for the zone and initiated a promotional campaign. A marketing brochure for the zone was developed to promote the project. When developing the brochure, we were guided by the following principles: make the content readable and concise; and communicate the messages the target audience is looking for. The outline was developed in cooperation with our West Bend partners. Similar brochures published by West Bend were used as a model. An artist and an architect were involved in the design of the brochure. Identifying the most effective venues of reaching the target audience was vital for the process. One thousand brochures were successfully disseminated in different ways. Our American partners recommended direct mailings to all representatives of the target groups. We also disseminated the brochure through the banks, as the banks have immediate contacts with the entrepreneurs and are well aware of their problems. The feedback that resulted from the dissemination of the brochure helped us to initiate the next step towards the creation of the economic zone. This marketing tool turned out to be a very effective promotional means.

We continued the active dialogue between the project team and the interested parties. A meeting with bank representatives was held to study the opportunities for direct involvement of banks and for external funding.

The economic zone will be built in several stages that will be implemented at the same time. The successful completion of the project requires the establishment of a business entity that would be responsible for the overall project. This entity should be a municipal corporation that would be assigned the development of the zone and the reconstruction of the commercial and entertainment section of the Svoboda Park.

In our case, the municipal corporation would act as a strategic investor. The corporation will divide the 170-decare lot into parcels and will sell the parcels to the entrepreneurs. At the same time, the corporation will build the infrastructure, a duty-free warehouse and a showroom. We believe that this is the only way to provide for the successful implementation of the project and achievement of the goals incorporated in the municipal development plan.

The parcels will be sold by flexible use of all legal forms of sale. The most attractive parcels will be sold by a bid; the parcels in the middle section of the zone will be sold at a competition; and the least attractive parcels might be sold through direct negotiations. This differentiated approach to sales was adopted in order to provide opportunities to all interest companies.

The construction of infrastructure, the duty-free warehouse and the showroom will be funded by allocations from the municipal bond issue. The municipal corporation will act as a developer, thus eliminating the need to pay a profit to an external developer. This will guarantee that construction works will be carried out on time and will meet quality requirements. The money accumulated by the sale of parcels will be used by the corporation to finance a leasing program for machinery, installations and construction sites, which will be made available to the companies in the zone.

I'll now talk about what is being done at the moment. The procedure for the change of land use is currently under way. The papers have been submitted to the Ministry of Agriculture and are pending approval. It is expected that the Ministry's decision will be made by mid-July. Within the same time, the Municipality will submit a proposal on the establishment of the corporation to the Pazardzhik Municipal Council.

The construction of infrastructure will take 6 months. Construction works will be carried out when the funds from the bond issue are received by the corporation.

The sale of parcels will begin when the infrastructure is in place.

What were the benefits from this process? Our joint efforts have produced several significant results. The completion of the economic zone project will produce various benefits. On one hand, the implementation of the project will support SME development in the region, which will result in the creation of new jobs and the generation of more revenues to the municipal budget. On the other hand, the processes utilized in the project created opportunities for a constructive dialogue with business representatives. Contacts were established and expertise exchanged between the representatives of the Municipality of Pazardzhik and the City of West Bend, Wisconsin, USA. Consensus was reached on the development of the economic zone and the beginning of the development of an economic development strategy was marked. The Bulgarian experts learned skills in applying more effective methods of work, such as teamworking, use of strategic planning, use of marketing tools for idea promotion, openness to new and innovative ideas. Opportunities for cooperation with private businesses, governmental and non-governmental, organizations were created; Working on a joint project was an excellent opportunity to exchange expertise and information. The municipal employees began to apply more effective work methods. A concept was developed for the construction of the new economic development zone and a marketing campaign was conducted by means of printing 1000 brochures that

were mailed to target groups. As a result, the Municipality received 45 requests on behalf of entrepreneurs interested in purchasing lots.

In conclusion, Pazardzhik's geographic location between the two largest cities in Bulgaria, Sofia and Plovdiv, predetermines the development of SMEs in the light industry, foodstuffs, processing, furniture-making and services. No prominent heavy industry companies function within the municipality. The economic zone will create conditions for the sustainable development of the SME sector. The project will encourage private entrepreneurs from neighboring municipalities and regions to relocate their businesses to the municipality of Pazardzhik.

The development of the economic zone through preferences for SMEs will provide greater revenues from local taxes and fees. New jobs will be created that will generate both sales and tax revenues. This will in turn result in greater public confidence and support for other municipal projects aimed at solving acute social problems.

Jon Bormet: Thank you very much for that presentation. We are going to take a 25-minute break.

Ivan Kolchakov: I'd like to finish by thanking our partners and by showing a good example of how far we've reached, as it is the first among all of us; to illustrate with a couple of numbers what we have achieved in the years of growth and development of our municipality. The unemployment rate within the municipality of Pazardzhik was over 23 percent in December, 1999; in December, 2001 it was 17 percent. Unemployment in Pazardzhik has been reduced by more than a quarter. 45 percent of Municipality of Pazardzhik's 2000 budget came from a national grant; this year it is only 17 percent. Domestic and foreign investments hit record highs. The Municipality's investments also reached a 12-year high. All these results materialized in the signing of the first sister city agreement under the program. We encourage all other partnerships to follow this example and move from technical twinning to sister city relationships.

Thank you.

Jon Bormet: Thank you and I apologize for interrupting. We will be back at about 4:05, if we can do that. We have one more presentation this afternoon. It's from Veliko Turnovo and Golden. It is about a military barracks reuse but I really think that it's applicable to any kind of reuse. We're talking here about doing industrial parks. In this case, we'll contrast that with trying to redevelop a site in your downtown. So, we'll be back at 4:05 and thank you very much.

Roumen Rashev: ...this USAID program. Whether successfully or not, that will be known when we are evaluated for phase four. We also expanded our participation with the Municipality of Razgrad – an initiative I'm grateful for – and got involved in their tourism development project. What we decided to work on with our Golden partners was municipal property management. Strategic planning, development and utilization of municipal property, as I'm sure than many of you have a lot of property and little money and Veliko Turnovo doesn't need an introduction. A little bit of background here. The photo that you just saw dates back 120 years ago, at the time when this place in Golden was barren land. What you can see today is an wonderful city. It wasn't made wonderful for the picture, it really is very beautiful and very tidy. Thanks to USAID – I also join the thanks – we were able to go across half the world. We still have the other half left. We literally flew on the Agency's wings between

Europe and the US and I'm grateful for that. I'd also like to thank FLGR and ICMA for believing in the municipality of Veliko Turnovo and giving us this opportunity. A natural question would be why did we decide to participate, why did we do it in this particular way, why did we choose municipal property management for our cooperation? I think that everyone in this room knows how over the last 50 years we were trying to destroy our cities. It's a fact. It turned out useless to try and find ways of doing this, as time would do it on our behalf and much better would destroy our cities, probably even our civilization some day. However, we should use our short life to find ways to resist time by creating a better urban environment. We decided to do this, to help each other. Today the reporters asked what is the benefit from this program to the American cities. Before I show what I've got on the slide, I'd like to thank Golden city manager Mike Bestor and Golden mayor, who during the first exchange of official delegations arranged us a meeting with the Golden city council and at that meeting I said that unfortunately very few Bulgarian cities can help their American partners at this stage but that we would make a step forward because of this program. I was really impressed by his words that sounded like a consolation but also made me feel proud: "So many Bulgarians and so many people around the world have made America America; so now it is time for the Americans to help the world and the Bulgarians". Again, thank you for this program.

To help each other – yes, but how? We, by learning how property can give u a better life. Property was created during our lifetimes, whether we like it or not. How it was transferred from private to national title is another topic. What matters is that our municipalities own a lot of property. And that's a fact. Another fact is that we don't know how to manage, how to learn to manage our property. Of course, I believe that the Americans also benefit from this program because I think they were convinced – and Mike said that – how a city can be managed and a society built with little money. When Mike's staff came to Veliko Turnovo and we presented our budget, our capabilities, our privatization efforts, etc., I heard Mike telling his assistants Steve and Dan to pay attention how a little money is spent because everyone can do well with a lot of money. Of course, we do it to get to know each other, to become friends, to shorten the distances that our children in a globalizing world have already shortened.

We worked on two practical projects in Veliko Turnovo. The downtown project and the territory of the former military school. You'll have the opportunity to hear enough about this project but I need to say that it is a critical lot. By the way, we don't have missiles that we need to get rid of, and thank god for that. The military school relocated in the 1970s and now there is a 180-decare lot in Veliko Turnovo's downtown – the most beautiful, the most attractive part, which for many reasons wasn't developed over the last 30 years. And the second project, the infrastructure financial management plan for Veliko Turnovo. At first, we were very ambitious and wanted to cover the whole infrastructure. However, due to objective reasons – the Bulgarian municipalities are now responsible for the nonprofitable infrastructure, such as streets – we limited ourselves to streets.

The following photos show that we did some work and we worked hard, both in Golden and in Veliko Turnovo. We shared experience constantly. I have to assure all of you that the work on these projects involved many specialists, involved people who for many years – specialists from Veliko Turnovo, of course - have worked in urban planning. I think that they should share the greatest benefits from their standpoint. In my opinion, the greatest benefit for them was that they saw for themselves that the United States is close, that it is populated by people who think the same way, that there is nothing mystical about the Americans and that they love their jobs. And even

this was the only benefit, to accept something from the American lifestyle, thinking and dedication, it would be enough for us.

We established additional formal relations. The Rotary Clubs of Veliko Turnovo and Golden established contacts. The man on the photo is an architect who was the chairman of our Rotary Club at the time. Of course, we also had informal relations. We created friendships that also generated good ideas. And we had fun. The man in the middle is unfortunately not among us today. His name is Dan Hartman and he is the author of the other project. For my Bulgarian counterparts, please note how well he is doing the round-dance. He only needed one evening to learn it.

As a result, I believe that we have achieved our goals. By achieving them, we helped local authorities – and I don't mean just the mayor and his deputies – to strengthen local government. To strengthen people's belief that we can alone – with our friends and partners, of course – to develop and implement good projects. We also created conditions for the improvement of municipal services. I'm convinced that the street project will very soon be our most pressing problem, the problem with transport within the municipality. We encouraged citizen society because all our projects – the military school project was debated at large within our community. We developed brochures, we had a public discussion, in other words, we created a precedent within society and our citizens committed to the ideas. The scale model that you'll see on the slides is exhibited in front of my office. We have people come to the municipal building just to have a look at it.

We established lasting partnerships between the municipal administrations, too, and between experts outside of the administrations who helped us in the development of our projects - architects, construction experts, engineers and Rotary Club members. And tomorrow we need to leave on time because the Rotary Club in Veliko Turnovo is hosting Mike Bestor.

The Veliko Turnovo University and the Golden School of Mining also established links. We developed some business contacts. A delegation of business people already visited Golden. And I need to urge Mike to get his business delegation as soon as he can, because I'm already ready with my second one. And I'm convinced that, regardless of whether there will be a fourth or a fifth phase or not, we will strengthen our partnership by signing the appropriate document.

Thank you. I won't take more time from the architects and the planners. We'll have the opportunity to talk more. Thank you.

Steve Glueck: It certainly was a pleasure to be chosen for this twinning partnership. And we are thankful to Mr. Bormet for contacting us and allowing us to participate. We'll certainly save all interesting details of our project for the breakout session and speak to you briefly about some of the general ideas. The mayor has done a wonderful job of describing the city of Golden and I believe we were chosen for this partnership because we are in many ways similar to Veliko Turnovo. We are a mountainous community, we have a prestigious university, have a number of large employers, including a well-known brewery, and we are... one difference is that we are a smaller community located next to a large metropolitan area. But in many other ways we are similar. And chief architect Elena Abadzhieva will just give you a couple of brief comments.

Before I hand it over, we are attempting to do this presentation at the same time, so I hope the translators can keep up with us.

Elena Abadzhieva: The territory that was the subject of the action plan for the technical twinning between Golden and Veliko Turnovo is located in one of the most beautiful, most strategic and unique places in the city, in the setting of this beautiful scenery, between the curves of the Yantra, the greenery of Sveta Gora and the wonderful walls of the old city. On an area of 187 decares, this undeveloped territory in the very heart of the city is unique not only for Bulgaria, but throughout Europe, where it is impossible to see an undeveloped lot in a downtown area.

The redevelopment of this territory requires investments that would allow us to make the territory attractive for investors, to create a new way of municipal property management.

For 20 years, the municipal administration has tried to develop the territory. Many competitions were held but a specific result was never achieved. A partial...

...American and Bulgarian municipalities, which marked the beginning of a new approach to the development of the lot, aimed at delivering economic benefits to the Municipality which owns the lot.

Steve Glueck: In putting together the first phase of the program that the City of Golden staff was involved in, we utilized a planning process that is familiar the world over. The big difference for me in this process was that the legal framework for the planning was changing and as we were trying to carry out the program. And in fact, the Spatial Planning Act that went into effect in March, 2001 required us to make an adjustment to the project to accommodate the current laws, which allowed a final development regulation plan only to be prepared by licensed Bulgarian architects. Within this process, the most critical portion in my mind was the development of overall project goals. One of the areas that Golden wanted to bring to this program was that many facets of the land use plan will change many times before it's implemented, and the goals that are established early on are the only way to tie the project together from beginning to end. And therefore, the goals were in my mind one of the most important parts of the first phase of the project. The project goals, as developed by the community of Veliko Turnovo, were one of the biggest inputs to our culmination in December of 2001. And Elena will give you briefly some of those goals from the Municipality.

Elena Abadzhieva: In December of 2001, our partners from Golden presented their conceptual ideas to the citizens of Veliko Turnovo. Based on the citizen involvement in the formulation of the vision and the strategy for the development of the territory, we identified goals for the development of the final design for the development of the territory.

One of the critical goals that had an effect on the further efforts was to review the municipal economy and to provide for an use that would be compatible with the neighboring territories, to have the Yantra fully integrated in the future development plan, to preserve the main entrance of the military school as a landmark, to incorporate high aesthetic, environmental requirements and to establish an appropriate entity that would be assigned the phased implementation of the development plan. The territory offers an opportunity to encourage investment intentions in the downtown core, in order to improve the socio-economic conditions in the city as a whole.

With regard to the location, the best opportunity is in the careful planning of future uses and to guarantee the quality of future construction. With good planning, the

Municipality will gain economic benefits from the sale of the lot and from future tax revenues.

Another factor that has a great effect on the development of the territory is the lot's size. On 187 decares, the lot is large enough to accommodate mixed uses that could improve the economic vitality of the downtown and to support the achievement of the Municipality's economic goals. The development plan needs to be such as to utilize to a maximum the existing infrastructure from such a point of view that would allow for its cost-effective further expansion. The uses need to be developed in stages, probably over a period of years. The elements of the development plan should allow for flexibility, should not hinder the market forces and the plan should point out which elements can change and which can't. The plan should not require large upfront public investments. The development plan and the phasing plan should provide funding through revenues generated during previous stages. The infrastructure plan needs to correspond to the financial capabilities of the project and the Municipality. Expensive solutions need to be thought out well to prevent negative effects on the market viability of the plan.

All of these things were well-thought, organized and provided to the future planners. The Municipality already has a detailed development plan, which was adopted on May 29 by the municipal expert council and is currently completing the procedures stipulated by the Territorial Development Act. In other words, all recommendations that I just mentioned and that were given to the planners, have been incorporated in the plan.

Steve Glueck: The most gratifying part of the first phase of the project was the week of December 7 of last year, when we presented the conceptual plan to a number of NGOs, to the city council leadership and also to the citizenry of Veliko Turnovo. The staff of the Municipality, along with ourselves, developed a number of alternatives to try to demonstrate which elements of the plan should be fixed and which elements should be expected to change over time. With those alternatives, we had the opportunity to have a discussion in a number of forms that week, including surveys in the City Hall lobby, a simulcast by the radio of the presentation, and several meetings to discuss the plan and really bring support to the mayor and his staff to proceed with the final phase.

With these alternatives, we had the opportunity to develop a concept that was based on several fixed elements, including the access, street design, pedestrian connections and transit, and parking. And some of the flexible elements, including the land uses and management and the phasing. The next slide is the plan that I felt was most appropriate for the start of phase two, and which was presented in the public hearing in December, that identified a mixture of land uses, a phasing proposal and an infrastructure program for the project. The results of phase one, however, were a lot more important than the alternatives. The result for phase one that I felt was most important for this program and for its ability to be replicated in other communities was the fact that we had a very wide discussion in the community of Veliko Turnovo about the difference between market-driven land use and development and the programs under which land was redeveloped in the past in Veliko Turnovo. And I believe that there was a strong acceptance in the community of the flexibility that would be necessary in order to achieve a redevelopment of this important property.

The second benefit that I found was very important, was that the citizen participation techniques that the Municipality implemented really increased the public awareness and acceptance to move forward with phase two. Because this property had been

underutilized for so many years and there had been so many projects started, there really wasn't a feeling in the community that it was absolutely necessary to proceed. And that was one of the things that the mayor instilled upon our team – that we needed to be able to move this project along. It was time to make some progress and we couldn't let it sit any longer without progress. And therefore, the acceptance of the community of moving forward into phase two, which Elena will explain, was I believe our biggest accomplishment in phase one. Elena will now present a portion of the phase final development plan.

Elena Abadzhieva: I will briefly present the result of our two-year efforts. Based on the features of the lot – and upon our recommendations and the studies conducted by our counterparts in Golden – the design team developed a detailed development plan that will be used by the mayor to manage this property, to dispose of it, in order to have the required development zones in place. The territory's location is unique, parallel to the southern spaghetti junction that connects northern and southern Bulgaria and Sofia and Varna. The lot is in the immediate proximity of Veliko Turnovo's lush parks. The design team developed a scale model which is exhibited in the Municipality and everyone interested can see it.

The territory, with its almost 200,000 square meters, is divided in several zones. The administrative zone, which is partially developed, with a planned central square. Business territories, housing areas, sports and recreation areas. This is the square between the Veliko Turnovo University building and the Regional Government building. The location of the territory allows for unique visual links from and to the city. These are the future silhouettes as seen from different points in the city. This is an internal street with a business compound. This is an aerial view of the territory at night. This is the gate that we'd like to preserve and the designers have preserved it. This is how it would look like lighted at night. What is typical of this section is that the buildings won't be tall but close to human scale and this would provide a very good spatial solution.

These are views from different sections of the territory. A very good solution is the planned for the crossroads of a street that connects the southern spaghetti junction and the downtown. This project provides an opportunity to calm traffic. We have copied from Golden the wonderful idea for a roundabout and with mayor Rashev are determined to have the roundabout built. These are outlines of different sections of the lot. This is a place where an eventual hotel could be built.

I can't refrain from sharing something personal. I was impressed with the responsibility with which our partners from Golden took to the task, visited the lot many times during the winter, Steve was there all the times trying to feel the atmosphere. Actually, some of my colleagues are angry at us for not having a competition; I personally think that the end result that we achieved with our partners' assistance is still better. We really got wonderful results.

And I would briefly like to show you something that was made possible with the assistance of our partners in Golden, the methodological support of USAID, ICMA and FLGR and I hope that in a few years I hope you'll see built in Veliko Turnovo.

Roumen Rashev: Dear colleagues, this was the presentation of our project. Of course, whether such a building will be built within the territory or not would depend on investment intentions. We are determined to implement this project, though. We have already finished the architectural part and together with the economic team that visited Golden developed options for public-private partnerships which would most

probably be employed in the development of this territory. The first question that everyone asks me is how would we build it. Is it realistic to expect that it can be build, doesn't it look somewhat futuristic in our environment of scarce resources. We already have partners who have expressed their willingness to enter into some kind of partnership with the Municipality, probably in the form of a consortium, which would include banks, too. Our intention is to first build the infrastructure, these are two main streets in the territory that will have water and sewer, communication lines etc. to do this, we need no more than 2 – 2,5 million leva. The price of lots with infrastructure is by times higher and in Veliko Turnovo is about \$40 per square meter. The owners of the Grand Hotel Veliko Turnovo, located in this section of the territory, are the same that own the resort we are in. I think that their capabilities – I mean Multigroup – are well-known and they have demonstrated an interest in the development of the lot. Of course, we are ready to become partners in an eventual consortium with entities from different parts of the world, and I would be personally satisfied if our first foreign investor is from Colorado, from Golden or from any other part of the United States. If you feel serious about investing, welcome to Veliko Turnovo. I hope I didn't bore you.

Jon Bormet: Thank you, mayor. We are now gonna have the breakout sessions. In room, conference room 1, which is upstairs, will be the Pazardzhik – West Bend economic development... I take it back, it's my mistake. You did it right, I messed it up. Razgrad – Brunswick will be in conference room 1. That's Razgrad and Brunswick, the tourism. In conference room right here will be Pazardzhik and West Bend, and Veliko Turnovo and Golden will be upstairs in conference room Varna. OK? So, if you wanna break out and talk to those folks more about what they've done and how they have done it, this is your opportunity. There are two other things, if I may. Dinner tonight is at Restaurant Oasis. If you don't know where that is, ask Ina or Tony. And in the morning, I would also note that we are starting at 8:30, not 9 o'clock as we did today. So, if you can be here at 8:30, we have a very full day. We have a lot of people that we have still not heard from and we look forward to wrapping up the conference. Yes? Can we leave our books in this room? Yes. And Ina's gonna give you the instructions as to where the Oasis is.

Ina Raycheva: Oasis – I'll speak Bulgarian – Oasis is located between Imperial Hotel and Riviera Beach Hotel. If you follow the beach line, it would be the second one to the right. Lotos Hotel, then Imperial Hotel. Excuse me. Oasis Hotel. It's at the beach, a low building.

Jon Bormet: I would also add that the ambassador will be back for dinner tonight, will be joining us, which I personally believe is an extraordinary commitment that he has made to those of you who are in this room and to local governments in Bulgaria. OK. We will see you tonight.

/breakout sessions/

Judit Deilinger: Welcome back to our symposium on our second day. I hope you all had good time, you enjoyed your dinner last night in the beautiful setting. And this morning you are ready to re-start your discussion about the projects that you have been implementing together with your partners. The theme of yesterday, as you all

remember, was local economic development, which proved to be one of the corner... Do you, are we getting interpretation? Oh, OK, so it's working. Anyway, as you all remember, it was local economic development, which has been one of the corner issues that you had been addressing during the program. Today you are going to tell about municipal land sale, public-private partnerships, citizen participation, technology and management, environmental management, which are equally important and interesting.

Before I give the floor to our presenters, please allow me to share with you a personal impression of mine. Yesterday, when I was listening to your presentations, when I was listening to you talking about business parks, business incubators, marketing strategies, it made me remember the first visits that you took to Bulgarian and to the US. And the most I remember is your tremendous commitment to make changes, to make life better for your citizens. And yesterday I could see that that hasn't changed at all. Your commitment is still here and you have done a wonderful job. Thank you very much for your work.

I am not supposed to take up a lot of time here and I'll just stop and give the floor to our presenters. Gabrovo – Tryavna about municipal land sale and public-private partnerships.

Bogomil Belchev: Good morning to all participants and to our guests from the United States. As today is my first appearance in this room, I'd like to introduce myself. My name is Bogomil Belchev and I'm the mayor of Gabrovo. Of course, to the right of me are Mr. Stefan Danailov, the mayor of Tryavna and Mr. Petar Vassilev, deputy-mayor of Tryavna.

Ladies and gentlemen, the Municipality of Gabrovo is a participant in the third phase of the Bulgarian Technical Twinning Program. When I started my term as a mayor of Gabrovo, the Municipality had already accumulated a significant experience from its participation in previous phases. Of course, my first task was to familiarize myself to what has been done and what needs to be done. I have to admit that I was very satisfied to find out that what was done by the Municipality during the previous phases was very useful and would encourage local development. Unfortunately, we don't have enough time to go back and analyze the previous phases, but these results gave us the strength and the confidence to participate in the third phase and to do our best for its development. Of course, we have to thank the wonderful team of the Foundation for Local Government Reform who helped us a lot in the previous phases and in the third one, too. For a year and a half, as a result of the joint efforts of the Gabrovo and Portage teams, several projects were implemented within our municipality. The first and the most important one was the replication of our project for improvement of the municipal economy by means of public-private partnerships in the municipalities of Selvievo and Tryavna. A series of meeting were held to...

...to spur the local economy. At the same time, following a visit of our friends Michael Stampfler and Dennis Durham, we began the development of an investment profiled aimed at domestic and foreign investors. We also developed a municipal website as apart of the citizen participation project. We printed a marketing set, also business-oriented, which has the purpose to promote the municipality and to present the opportunities it offers by reaching a maximum number of cities, institutions and NGOs. We printed a manual of project implemented with our partners from Portage. We also developed a vide for our activities.

I'd like to briefly talk about our first project. I think that it is unique for two reasons. First, is directly oriented towards improving the municipal economy, and second, we

implemented the project not to achieve the real result but to demonstrate to our friends and neighbors in the region what they could do improve municipal revenues. Maybe I should go back to the previous phases and say that this was one of the major project during the previous phase of the program and we used it to sell lots in a way utilized by Portage. What is the main difference with regard to the sale of lots? The main difference is that besides the specific processing of the lots in terms of square footage, price and use, we also introduced a new element, the so-called pre-bid meetings with potential buyers. Often, when we announce a property for sale, potential buyers make their decisions only on the basis of documents that we provide. Our friends from Portage told us that it would be better to have such pre-bid meetings, in order to allow potential buyers to get more information about the type, price and features of the lot and, most importantly, to make recommendations with regard to its future processing. As a result from these pre-bid meetings, we expanded some of the lots because the buyers didn't like their area. We had to study the possible uses of the lots. And when we had the actual bid, only investors who had a complete idea about the lots came and gave us a price that the lots was worth. And another results from the previous phase was that the practice of having pre-bid meetings increased the value of lots by about 25 percent. The reason I'm telling you this is because I want to explain why during the third phase we wanted to share this experience, which we believe is very positive. The municipalities of Sevlievo and Tryavna were included in phase three. Our experts also worked very hard and I think that their presentation will convince you that not only did they use our expertise but they have also developed it further by adding elements that we intend to copy. I'd like to give them an opportunity to make their presentation and in conclusion I would like to say that the Gabrovo municipal leadership appreciate this program because apart from increased municipal revenues it gives us something more important. T gives us an opportunity to see how American cities are managed, to compare their practices with ours, to look around and to identify measures that would allow us to achieve better results in local government. We will apply for any future phase because we rely on our friends in Portage who have taught us so many things and we are now looking forward to teaching them something in return. As it is well-known, Gabrovo is the world capital of humor and satire and every year we have a carnival that is unique for Bulgaria. At the carnival, we cut the cat's tail, and since our friends from Portage still don't understand why we do that we hope that the next phases will provide us an opportunity to explain it better. Thank you.

Galina Vitanova: Good morning. As Mr. Belchev already said, the project that I'll present was very successful for our partnership which we started with Portage, Michigan back in 1998 under the second phase of the Bulgarian Technical Twinning Program. What my colleagues did then – I joined the program during the third phase – was to copy an American model, transform it and adapt it to local conditions. You are all aware that it is impossible to transform each and every best practice in its original form. After having it adapted, the model turned to be very effective.

What is it all about? The project is aimed at improving the municipal economy by recruitment of private investments for the development of municipal lots with industrial and commercial use offered for sale through bids. I'm sure you all know what this means. But what really happens when the Municipality and private entrepreneurs meet? What you get is a public-private partnership. one way or another, as municipal employees we've had such interaction with the private sector. But thanks

to our Portage friends and the project that we developed with them, we managed to organize this cooperation and interaction and make it effective and productive for us.

A procedure was established for the development of bidding documents and their mailing to potential investors. This was developed under the specific project. Pre-bid meetings were held to clarify bid terms. What is interesting is that the offers were submitted in public, in order to eliminate any suspicion. The purpose of the pre-bid meetings was to provide transparency and publicity for the bids and to get a feedback from the buyers. It was critical to provide equal terms for everyone.

Mr. Belchev already explained why we decided to replicate this particular project – because it was very successful for us during phase two. Our goal was to make this successful practice a model to be applied in the future and I think that we managed to achieve this goal. We also improved the methodology of our bids to respond to the specific conditions in Sevlievo and Tryavna. These municipalities needed to feel the social effects of the project. First of all, to have new jobs created, which is critical for every city. To have revenues to the municipal budget not only from sales but from subsequent taxes as well. To create favorable conditions for business development and to have those business representatives invest in construction and build the respective infrastructure around the sites or the lots they bought. And finally, to create prerequisites for a greater sustainability of our relationship with Portage and the new replicant municipalities.

As I mentioned in the beginning the interaction between the Municipality and private investors is a two-way process and the effects from the project reflect on the entrepreneurs. What happens with them? This project encourages private sector growth by the use of businesses' own resources. Private entrepreneurs become active participants in municipal development by their partnership with the Municipality. The quality of life is improved and through the development of private initiative. Public spaces and infrastructure are improved.

How did we start the project? As any other project, it has several stages. We began with a seminar in October, 2000 in Gabrovo, with the participation of representatives from all municipalities, specialists in territorial development, urban planning and municipal property. NGOs and media were also represented. The meeting coincided with one of the visits of our friends from Portage who also participated in it. Quite actively, if I may add. At the meeting, we explained the essence of the project and the so-called pre-bid meetings. Over the next several months we formed the teams for each municipality that would work on the project, technical experts. The lots for sale were identified – two in Sevlievo and one in Tryavna. Bid documents were prepared. Actually, one of the main tasks under the project was to provide maximum information to investors – location, area, title, existing infrastructure, including water, phone lines, electricity, approaches – if any, because the Municipality sometimes offers for sale undeveloped lots – and use of the lot.

Following the development of the RFP, we published announcements in the local media for the upcoming pre-bid meetings. The pre-bid meetings generated a lot of interest and the investors were told that their offers will be evaluated by the following criteria: price, commitment for the creation of new jobs, additional investments in construction and public works in the area. A draft contract was developed and discussed with the investors.

What happened? If we succeed the first time, that doesn't mean we'll succeed the second time. During phase two, we managed to sell the four lots that we had identified from the very first attempt. In the case of Sevlievo and Tryavna this didn't happen. As I said, the pre-bid meetings generated interest but no buyers showed at the

bids. We were forced to identify a new strategy to sell these lots. Based on the pre-bid meeting results, which were used to study investors' opinions, we found out that in Sevlievo's case two of the lots were priced unreasonably. One of them had an area of 8000 square meters and was located in the immediate proximity of the American Standard plant and has no infrastructure. The price was too high and any investors who wanted to develop anything there would have to pay a lot to make it work. The second lot was located in a residential neighborhood, a two-story building between residential buildings. The use of the property was restrictive; the investors had different requirements but the use couldn't be changed. For this reason, Sevlievo had to secure another lot of about 5000 square meters that was divided into 5 smaller ones and each of them was offered for sale. The situation in Tryavna will be explained by my colleague who worked very hard for the implementation of the project. After the RFPs were changed – Tryavna reduced the price, Sevlievo offered a different location – we announced new bids and the municipalities sold the lots successfully. And since the bid coincided with the end of the program, we held a final meeting of all participants in Tryavna this April to summarize the results. Some of you were at the meeting and what was interesting was that we divided the participants in teams of municipal employees and investors and had them conduct a pre-bid meeting exercise and a bid for a specific property. When the participants went through the pre-bid and bid exercise the results were very interesting because we used one of our lots from phase two for the purpose of the exercise.

What are the results for the two municipalities in numbers? Sevlievo had a starting price of BGN 22,217; the property was sold for BGN 31,215. Investments in construction and infrastructure – approximately BGN 10,000. Full-time jobs created – 10. 4 new commercial and production companies were established.

In Tryavna the results were: starting price \$11,985, sold for \$15,007. Investments in construction – approximately BGN 50,000 as their site was an old school that will be transformed into a wonderful hotel. Full-time jobs created – 10. The hotel will have about 40 beds. What was interesting in this case is that they managed to combine the public-private partnership project and the municipal tourism development strategy.

Mr. Vassilev, the floor is yours.

Petar Vassilev: Ladies and gentlemen, I'd like to present the interaction between the Municipality of Tryavna and the Municipality of Gabrovo with regard to our joint efforts to replicate the project for the improvement of the municipal economy by means of public-private partnerships. We used the experience of the City of Portage which is twinned with Gabrovo under the Bulgarian Technical Twinning Program. Our colleague and friend Galya presented most of the details with regard to the implementation of our project. I'd like to add some things.

We focused our efforts on the disposition of municipal property, or more precisely, on finding an appropriate investor with the help of that investor. Until now, standard procedures were applied that are stipulated by the legislation regulating the activities of the municipalities. The site that we chose was deliberately not a very attractive one – a former school that had been closed down and which comprised of 358 square meters of built-up area and a 4,068 square meters lot. All infrastructure amenities were available: road, electricity, water, phone lines, a railway stop close to the site, but no investor had demonstrated interest so far. Following adequate promotion and announcement of the pre-bid meeting, we had two potential buyers come to the first pre-bid meeting. However, they didn't come to the actual bid due to – as we found out later – the high price of the site and the requirement for full payment at the time the

deal was closed. This is when we applied the expertise of our American partners. We changed the RFP so as to make them more friendly to the investor. We then announced another pre-bid meeting to discuss the upcoming bid. Three investors came to the pre-bid meeting and told us that we have met their requirements and that the starting price would really give a spur to development on the site, but what appealed to them most was the deferred payment. During the bid, the starting price of \$11,865 went up to \$15,700 and we signed a preliminary sale contract. So far we had a standard results, a successful bid and a closed deal for the sale of municipal property. However, there were additional effects and an analysis of these effects would reveal that in the future they will contribute more to the development of the municipality. A vacant building will be reconstructed to become a hotel with about 40 beds, 10 new jobs will be created, investments will be made in constructing the hotel and the construction workers will be hired within our municipality, as will be the contractor. Upon the completion of the construction works, the company would register within our municipality. The contribution of this project is that it also helps tourism development, which is one of the priorities of our municipal development strategy. This example demonstrates the successful implementation of an experience of our Portage partners that has become a proven practice. This little illustration shows how good results can be achieved in this way. And these results become reality when public-private partnerships are established that are in unison with purely administrative procedures. The main conclusion is that the project could become a practice in the future disposition of municipal property in any municipality. And would allow it to find the best solution and the best investor to the benefit of its citizens.

Another side effect from project implementation is that we further strengthened our traditional relations with the Municipality of Gabrovo and we created a sort of a public-private partnership between two municipalities that utilize the valuable experience of the American partners. Also, the pre-bid meetings allow the Municipality to promote itself to an investor outside of the municipality, who doesn't know the conditions within our municipality. And the most interesting thing that our mayor Mr. Danailov will share with you is that despite the fact that for the purpose of this project we identified a relatively small site, soon we had to use the same approach to recruit a major investor. But let's give the floor to Mr. Danailov who has the greatest credit for the recruitment of this investor.

Stefan Danailov: ladies and gentlemen, first of all I'd like to thank the organizers of this wonderful conference, the donors of the Bulgarian Technical Twinning Program and the Municipality of Gabrovo for accepting us as their partner municipality in the third phase of the public-private partnerships project. The Tryavna municipal council has adopted a sustainable development strategy which is focused on tourism as a main industry within our municipality, which has a rich cultural and historic heritage. And the fact that only by privatization of inactive municipal property we could achieve such development made us try and find ways of identifying the best investors in our municipality. The experience that our colleagues and friends from Gabrovo offered came right on time, because Gabrovo besides being a municipality is a regional seat for our region. And we had the opportunity to see how useful this approach is. We found out that it is not important to just sell our property but that we should like and challenge the investors. For this reason, we contacted some of the largest tour operators in Bulgaria – Neckermann and TUI – and we invited them to come to Tryavna and have a look at the sites and maybe find

something that would be of interest to them. Fortunately, after multiple meetings TUI – they don't make direct investments but work through companies that they trust – TUI are already in Tryavna. A former kindergarten was transformed into a luxury 3-star hotel; actually, it's more like a 4-star but they deliberately had it registered at this category because the tourists that they bring are paying the price for this level. So now we have over 15,000 reservations for overnight stay in Tryavna, so far for only one night, for tourists from Germany, Belgium and the Scandinavian countries. As of next year, the company will offer new vacations – 7 days at the sea coast and 7 days in Tryavna – and we hope that in this way we would get more investment, because having a tourist spend one night in the city is one thing and having the same tourist stay for 5 or 6 nights is a totally different thing. This means that we'll need investments in infrastructure, in entertainment and I think that by using the method that we have selected we'll be able to develop the municipality in this area. I'll use this opportunity to invite you, whenever it is convenient for you, to visit our city. Thank you for the attention.

Galina Vitanova: To finish our joint presentation, I'll be very brief. We found out that what we had done had become a sustainable model, a nice practice. During phase three we sat on the other end of the table, we became trainers and learned how to court investors. We became more creative, more flexible, we learned how to communicate better between ourselves and with them, we learned to cooperate and, most importantly, we never missed an opportunity to have fun.

Judit Deilinger: Thank you again. Our next project to discuss is the landfill management by Blagoevgrad and Auburn. And because we started a little bit late due to some technical issues with the projector, I would like to ask you to mind the time today, so that we could go out at 3:30 as planned. Thank you.

Ivan Tsenov: ...West Carrollton in the Vidin park. We developed a conceptual design, we considered the existing architectural and historic landmarks, the Baba Vida fortress, the Turkish gates, the buildings of the drama theater and the art gallery. And most importantly, during the implementation of the project we managed to involve our citizens. At every stage of the project we kept them informed by the media and by public meetings about what we plan to do. We asked them about their opinion by surveys, organized meetings and established a committee for the reconstruction of the Vidin park that discussed the specific steps and the conceptual design. So what we are doing and will continue doing for our park will be accepted by the citizens, and even though we did many things over the last years, such as wharfs, sewer lines and other infrastructure sites, what we've done in the park is very much appreciated and we keep getting positive responses from the citizens because we were able to produce specific results. We renovated the entrance to the park, we constructed a new alley with funding from the Beautiful Bulgaria Program; this year we'll build the West Carrollton corner next to the Baba Vida fortress. I think that what was achieved so far in terms of an action plan, thinking, citizen participation, can be used as a successful model by other municipalities. Actually, that's what our program is all about. Thank you for the attention. I'll now give the floor to our specialists – chief architect Galya Antova.

Galya Antova: Ladies and gentlemen, I will present the project in more detail. As mayor Tsenov told you, he already mentioned briefly all the activities that I'll

cover in my presentation. I hope that you'll have the opportunity to visit our park after the project is completed in full. The motto of our project "a sense of place", i.e. to feel that you belong. Today's presentation will cover the planning process and the conceptual design. This was the beginning. The territories that we'll work on are marked on the city's cadastre, the surrounding buildings are marked as well as the specific places that we chose to develop under the project. This is not an overall park reconstruction project. This project shows certain places that we and our counterparts have considered appropriate for development at this stage, as we don't have the resources to redevelop the whole park. And the park is a dynamic space that needs to be renovated on an ongoing basis. This is why we chose to focus on specific areas. These are the teams of the cities. Here you can see all designers at the initial phase, when they began discussing this cadastre that I just showed. The design team consisted of the park and recreation directors, experts in spatial planning, landscaping and urban development.

Vidin Riverfront Park, the park development process. What is the conceptual design? It provides a strategy for development over a certain period of time. In this case, it is 5 to 10 years. The conceptual design allows for regular reviews and amendments. As this is a space that is renovated constantly, there is a possibility to have the park look differently every year. The conceptual design provides flexibility when updates are necessary, as you're all aware that reality is very dynamic. A part of the decision-making process with regard to development. What this means is that it allows us to implement this project, to make decisions about assigning its implementation. It's a systematic approach to problem solving, because if we work one piece at a time, we wouldn't be able to have a full picture of how the park should look like. The conceptual design provides a framework for annual budgets. From now on, we'll have the ability to plan every year what funds we need to allocate from the municipal budget. The main principles of park planning. Parks are the most important public spaces because they are used by many people for many purposes. This park is the favorite place of Vidin's citizens. One thing that I forgot to tell you is that the park is located along the Danube. There probably isn't any other city along the Danube that has such a link between the city and the river. The park was built in several stages and we are about to talk about the oldest section. The parks are more than attractive green spaces; they're about creating functional spaces and memorable experiences. Parks are complex living organisms that evolve and need proper maintenance. Here you see a space that will be developed under the project and it's evident that it badly needs repair. Requirements of the conceptual design. Here is something new that we adopted from West Carrollton. Citizen participation. All projects that our municipality has developed in the past were reviewed and adopted by a limited circle of experts. In this case, we used citizen surveys that were published in the newspapers, survey cards that were disseminated through our information center, to get a feedback of what the citizens want to have in the park. Public discussions. Here you see a discussion among experts. These are our local design companies, approving bodies, representatives of NGOs and reporters. We collected information by asking the municipal experts, the people who are involved in park maintenance and by personal impressions. The first stage for the municipal experts. Of course, before we present the project to the citizens we gathered the two teams, discussed the sections that we'll work on and the issues that we'll solve. The most important thing that our parks – and our projects in general – lack is park image and marketing. Here you can see an American park that isn't very big but is very pretty, on a small area, and creates an image that our parks don't have. For this reason, the first thing we did was to design a park logo. A logo

designed by the West Carrollton team – Vidin Riverpark – and a logo designed by our team which further on you'll see becoming the park's logo. The purpose of creating a park image is to encourage citizens and companies and to attract tourists. Of course, one of the main things that our park lacks is park furniture. This means new lighting fixtures, waste baskets and park furniture with appropriate design and coloration, each one of them marked with the park's logo. So it would be known that this furniture is for this particular place. As I said, the conceptual design identifies several areas for renovation. The first one is the Grande Entrance. This place links the downtown, the main commercial street that leads to the Danube and the entrance to the old section of the park which is marked by 2 and 3; the newest section of the park is in the opposite direction but it was built fairly recently and doesn't need renovation. Square 2 is a very beautiful building of the art gallery that was renovated under the Beautiful Bulgaria Program. What we have here is the space around that building. And section 3 is probably the most interesting part of our project – the old part of the park, the bosquette garden that was created by the designs of European architects. Grande Entrance. The purpose of this entrance was to make the approach to the park and the river more formal. As you can see, this option calls for new lighting fixtures in two lines that could be used to post flags during holidays and celebrations. And one more space in a grassy area that wasn't utilized so far. The proposal I to have this space become a garden and to put monuments in it, as the monuments are currently spread chaotically around the whole park. The other option was – as it is located next to the art gallery – to make it an open-air exhibition area. As you'll see in a few minutes, we managed to do this this year. Generation of ideas about park renovation and identification of park features. We sought something new that would become the symbol of park renovation. These are some ideas how this symbol might look. Park situation and analysis. Analysis of current condition. Here you see a smaller excerpt from the conceptual design. There are many various and interesting sites within our park. In general, we've divided them into cultural, environmental, recreational and aesthetic features. Many sites, monuments of culture and interesting buildings are located around. Recreation sites, playgrounds and recreational spaces. The environment is very interesting; the park faces the Danube and borders the riverfront beaches. And of course, many alleys with places for rest and passive recreation. The first thing that we did was to study traffic flows – walkers, vehicles and parking lots. We inventoried the condition of park furniture. Some playgrounds that we had built over the last years were in a pretty good condition but there were also such that were potentially dangerous for the children. We analyzed the current advantages and the main advantage that we identified was the Danube, the proximity to the border and the link between the two spaces. After all, this is why the park was built in this particular place. The other advantage is the existence of many mature trees. These trees were planted in the beginning of the last century and were brought from Vienna. Another advantage is the Baba Vida fortress, an important historic landmark and a monument of culture that brings a lot of tourists. Other advantages are, as I said, the existence of many art and historic statues. Every significant event in our city was marked somehow in the park. These are monuments of prominent people, of members of parliament, there are many beautiful statues that are purely pieces of art and are used by children to play. There is also this replica of a Roman statue that is kept at our museum. I already mentioned the Baba Vida fortress. The other is the art gallery which is a very interesting building, the Vidin drama theater, one of the first in Bulgaria; and two sites that aren't in a good condition but are being reconstructed and are wonderful – the Jewish synagogue, the second largest in Bulgaria after the one in

Sofia, and the old public baths which is being reconstructed for a different use. Preliminary ideas. Here you see sketches of the design for the space around the art gallery and a solution for the approach towards the Monument of Freedom. We provided cost estimates for these ideas and discussed them with the citizens. The two teams had many discussions of these ideas. Local designers were also involved and gave their opinion on the proposals. Then we developed the final conceptual design that identified the priorities. The first picture shows the design of the space in front of the art gallery, a place that we use as a performing stage for various events. The other solution is for the Grande Entrance. We decided to have a two-sided space there as a continuation of the Grande Entrance. In the initial design, it was more single-sided and we decided to turn it towards the other part of the park. The alley you saw on a drawing towards the Monument of Freedom. And the most interesting one, the West Carrollton corner in Vidin. Our counterparts from West Carrollton picked a place that is very significant for our city, right in front of the Baba Vida fortress, where there is a link to the beach. And a very interesting gate from Vidin's fortress system. This is where they decided to build a fountain that they have in West Carrollton, a fountain that would be used during the summer and people could actually get in to refresh. During the rest of time, it functions as an open-air stage. They proposed a new model for the area, amphitheatrically towards the fountain, as well as a picnic corner. The rest are approaches, landscaping and a second entrance to the park from the Baba Vida fortress, as here is where tourists most often enter the park. We developed the final conceptual design and identified the priorities. This is a drawing of the West Carrollton corner. Specification of ideas. Identification of potential funding sources, including private sector. We thought about getting donor support by writing the names of donors in some places in the park. Final conceptual design. The conceptual design becomes incorporated in the Municipality's long-term goals and becomes a part of Vidin's green system project. Implementation. The implementation began with a demonstration project which had to show tangible results to the citizens and the media. At the main entrance, we made a monument in the form of a Roman rotunda, as Vidin was established by the Romans in first century AD. The monument has 6 pillars as the ones in our main church and Vidin's four names – Bononia, Budin, Bdin and Vidin - are written in a circle. This monument is the link between present and past. And we completed this project and we celebrated here the Day of Europe, May 11, and event with international involvement that generated many positive responses to our project. Monitoring on the implementation of all improvements. Does it correspond to the timeframe, the budget? Organize a celebration at the completion of each stage of planned improvements. Just as we did in the implementation of the first stage, we had to let the citizens know about them by means of specific events. Evaluation of public needs and corresponding changes in the park every five years. Public meetings. We need to know what the citizens interested in the project think. This is very much necessary as this is citizens' favorite park, a place for everyday recreation of everyone and everyone is excited of what's going to happen with it. Citizen involvement. We had many surveys. Why did we do that? First of all, to collect information on citizens' needs and opinions, what would they like to see in the park and to involve them in the planning and design process, to make use of their ideas. How did we do it? Interviews by phone, in the media and in the information center. Questionnaires that were handed out or mailed and then returned back to the sender. Citizen boards and committees. This is the American experience that we hope to copy. Appointed by the council or the mayor for a 2 to 4 year term. Represent all citizens and not just one political party or faction. Their job is to consult, to advice

and to influence the management of park and recreation activities, to have regular meetings with councilors and park experts. Most American boards have 5 to 7 members. This is an excellent way of involving citizens in local government. This was our Danube Riverfront Park project. I will now give the floor to the representative of the American team to tell you about the project from his standpoint.

Rick Bolton: Thank you, Galya. I just wanted to say that this has been a wonderful experience for me and the members of the West Carrollton park design team. But it's also been a true team experience of West Carrollton and Vidin representatives with the responsibilities of the project shared equally. The Riverfront Park, as you can see, is a beautiful park located along the Danube and it's 147 decares in size. There are many historical and cultural elements in the park and during the design process we were very sensitive to these elements and did not want to change them or negatively impact them with any of our proposed improvements. So our teams' goal was to improve the aesthetics, functionality and experience of the park and to make it an enjoyable place for current citizens and for future generations. The citizen participation process was a very positive experience through the survey, through the various public meetings with the citizens, NGO representatives, local experts and many ideas were generated from this process and were actually incorporated into our final concept plan. And I feel very confident and good that the Vidin staff is committed to use this citizen participation process for future city improvement projects. Also, during our visits we discussed the establishment of a volunteer program in the parks. This is something that is very common in the US, the use of volunteers. And I was very pleased to find out that the City of Vidin has signed agreements with two local Vidin schools to perform duties in two different parks in Vidin. And as Galya mentioned, we were also discussing the formation of a park or recreation board, which would be a committee of citizen that meet with Vidin staff on a regular basis to discuss issues related to parks, recreational activities, green space within the city. During our initial discussions, we decided to share our cultures and recognize our partnership by creating an American-style design in the park. And Galya mentioned some of the elements that were in the park. I was very happy to find out during mayor Tsenov's recent visit that they had received funding, or will be receiving funding, to actually make this concept a reality and within the next year that should be a completed project. Along with the West Carrollton corner, we are also in our city developing a Vidin corner in one of our parks along the Great Miami River. And the timeline of that development is also the same as the one in Vidin and we will have our Vidin corner finalized and constructed within the next year. And we do this to again share our culture and to recognize our friendship. We've also seen tangible results in the park. With a grant made available through ICMA we were able to construct, the Vidin staff were able to construct, the entrance area as you saw on the slides. Which to me was very amazing, to come up with the concept, discuss it and all of a sudden it's here, it's in place. So we've actually seen tangible results from our work together. But perhaps most importantly, during Mr Williamson and my most recent visit to Vidin just earlier this week, I was discussing with the Vidin staff and he was telling me how the citizens are excited about the changes in the park. It's become a real issue of discussion within the city of Vidin. They've been involved in the decision-making process and they're actually taking pride and ownership in this park. Mr Borisov said one of his comments was also that he thinks they now see the park from a new perspective, a new different perspective, which is excellent because that was one of our goals, was to get the citizens involved into had them take ownership

into the park. In conclusion, I want to thank USAID, ICMA, FLGR, mayor Tsenov and his staff for this wonderful experience and I look forward to continuing our friendship and our partnership for many years to come. Thank you.

Judit Deilinger: Thank you very much. In the next 30 minutes you will be hearing about a similar project. It will be presented by Silistra and Kettering partnership. Since Silistra is located very similarly to Vidin, they also have a beautiful park along the river and they also thought that revitalization of that park is high on their list of priorities. And this two projects will be discussed at one breakout...

Mark Schwieterman: Hello. My name is Mark Schwieterman. I'm the assistant city manager for Kettering, Ohio. As it was mentioned, we are going to present our park project this morning. I have with me Tony Ogneva who is going to explain the details of the project and then I will wrap up with a brief summary of the City of Kettering's participation in the project.

Antoaneta Ogneva: Ladies and gentlemen,
Park development was the second area of cooperation between the municipalities of Silistra and Kettering. Today's presentation will be about the citizen participation in the renovation and redevelopment of Silistra's Danube Riverfront Park. Silistra citizens call our park "the green heart of the city". Which is correct because since its creation in the distant 1870 the park was the symbol of our progress and development. Our hearts sank over the last several years as we were watching our park die. This is why the intention of Silistra's mothers to have it renovated came so naturally. Their enthusiasm attracted others. A short music theme will be played now to tell you this story.

The short musical introduction showed that the Danube park has received the love and the labor of generations of Silistra citizens and that the first positive changes in it occurred as a result from the actions of a non-governmental organization. The first step was made. What did we have to do from now on under the technical twinning project? We had to support NGO efforts, to involve more people, to develop and implement specific projects. What did we learn from our American partners? To set up specific goals and objectives, to think on a large scale from the birth of an idea to its implementation and funding, to involve the citizens in our activities. What did we have to overcome? We overcame the traditional habits of central planning. Having been used to work for many years by plans that someone else had assigned to us, we now learned to work with the citizens, made them our assistants and our judges. We overcame our hesitation, we believed in our own strength, we believed in the people who stood by us. We overcame the myth that financial resources are everything. What are the instruments that we used to renovate and redevelop our park and to involve the citizens? First of all, press releases and newsletters, meetings and discussions with various target groups, surveys and personal observations. We formed joint teams, organized public discussions. We started with the first instrument, information for the press, the local and the national media. They covered all our efforts and all changes in the park. This is a moment from a meeting of city manager Steve Housemann and the Bulgarian National Radio representative in Silistra.

Public space was flooded with information and this stimulated the citizens. The children of Silistra reacted first. With their intrinsic enthusiasm, energy and frankness, they initiated the first meetings. This is a moment from the meeting of members of the environmental club at one of the schools and the municipal management. This

meeting generated the idea to build a new sports facility, to restore the summer dais. The children stated that they were willing to help us. They became our assistants and we formed the first work team. The Silistra scouts did a lot of work. Within a week, they conducted full park inventory, including benches, alleys, trees and vegetation. Of course, this effort ended with a celebration in the park where the children demonstrated their skills and taught us how we could make tea in a park without harming the environment.

The media coverage attracted the attention of external experts. Silistra students of architecture in Sofia asked for a meeting with us and presented their ideas about the development of the Danube park. Very innovative, albeit slightly utopian, their ideas made us dream of a park that's completely open to the river. At this stage, we conducted a survey in order to touch base with the citizens. What did the survey show? You are now seeing moments from the survey. It showed that the Danube park is the most important public space in Silistra, that almost one-third of the citizens visit it at least 3 or 4 times per week. What else did the survey tell us? That we need to renovate all areas of the park and to pay special attention to areas for children, to renovation of playgrounds. Having accumulated enough information, we developed the preliminary conceptual design for the renovation and the redevelopment of the Danube Riverfront Park. This concept was discussed with NGOs first, those who had initiated the changes in the park. A meeting was also arranged for professionals – architects, landscape architects, archaeologists and construction workers – to discuss the issues with regard to the park. You are now seeing one of these meetings that was attended by our Kettering counterparts, Joe Roller and Ann Fullenkamp. This meeting became a very interesting discussion of design problems in the US and Bulgaria. Joe Roller gave us a detailed description of the planning process in Kettering and the United States, of how they involve the citizens from the very beginning, consider their opinion and get positive results. What did we have at that time? We had various ideas, support for changes, our citizens' enthusiasm and very limited financial resources. What else did we need? We needed mostly additional expert assistance which was rendered by the Kettering team, of a prioritization of the issues that we needed to solve. Our visits to the United States generated new ideas. The visits to Dayton and Cincinnati gave us the idea for the donor alley. What you see on the slide is a donor alley in Riverscape, Dayton. This idea was very well accepted by our citizens. The Rotary Club initiated the creation of a similar donor alley in Silistra. We also got ideas with regard to the renovation of playgrounds and the involvement of the citizens in this.

An important element of our work were the joint developments. During the informal meetings that we had with Silistra's senior citizens, our mothers and fathers, we found out that we weren't doing much about them and decided to do our best to provide for their recreation and rest. This idea coincided with Joe Roller's proposal and we created the Kettering corner. This is the place where the Kettering corner was going to be built later. This is the design of the corner and these are moments of the construction works and the current use of the park. It has already become a favorite place for our mothers and fathers. At one of the joint meetings with the architect we came up with the idea to renovate and complete the central alley. This project was inspired by the riverfront parks in Cincinnati and Dayton and was developed with Joe Roller's consulting assistance. I will now show you moments of the implementation and how the place looks like at the moment. The swing that you see has become a favorite place for citizens of all ages and rarely remains empty. This is the project that could be most justly called a citizen initiative, as the idea came from the children –

the skateboard rink. This is the place where it was built – before and now. The rink was built by the Municipality of Silistra with the financial support of USAID and FLGR and with donations from Kettering citizens. All metal installations were donated by Silistra private companies. All surveys, analyses, discussions that held were used as a basis for the development of a concept for the renovation and the redevelopment of the Danube park. The concept can be seen outside in the lobby. It was developed by the Silistra team with the invaluable assistance of the Kettering team. It was the culmination of our efforts and its discussion became a real celebration. You are now seeing photos from the discussion which was attended by architects, councilors, regional management, municipal management and, of course, the children of Silistra. The idea for the expansion of the park to the east with the construction of a port, an aquatic park and a business park, was discussed at this meeting for the first time. The chair of the Municipal Council awarded everyone who had participated actively in the renovation of the Danube park – the City of Kettering and the Silistra Rotary Club which provided the first donations, the Silistra scouts' organization, the Bulgarian Women's Union whose idea was the renovation of the park. The celebration then moved to the park to promote the new sites. This photo was made at the entrance of the park – the municipal management team, the Kettering team and the Silistra mothers who inspired this project. The children painted their ideas about the Danube park on the central alley. The grand opening of the Kettering corner occurred with songs and dances. The bikers had their first competition.

What did we learn during these 18 months? We in the municipal management learned that citizens' opinion matters, that public support is critical for any project. What did our citizens get? They got better self-confidence and pride in the achievements, a sense of ownership of the park. What remains to be done? First of all, to provide maintenance and protection for the park and to involve the citizens in this. Other groups of citizens have to be involved, to develop the tourism and economic potential of the park, in order to attract businesses for example.

And I'd like to finish with a quote from Lapage which we have selected as a motto of our project and which we copied from Kettering's park development plan. "Every park, every route, tourist site and a natural site is a classroom. It teaches its lessons and shows us who we are and what managers we are." We can talk about the Danube park at length. What we couldn't tell you today can be found at the park's website at www.danubepark.ccpro.com

Thank you for the attention.

And now Mark will talk about what you can't find on this website.

Mark Schwieterman: I'm currently enjoying my second visit to Bulgaria and earlier this week had the pleasure of spending two days in Silistra. It has been six months since I had been here. The improvements made to the Danube Park in these six months I think you will find to be astonishing. The people of Silistra, staff of the City of Silistra, had been able to quickly move from the initial design stages to the completed project stage. Tony mentioned the concept plan, which was the main focus of our redevelopment efforts. Typically, a concept plan presents ideas that we intend to implement in the future. The citizens of Silistra and the staff of Silistra moved so quickly that as we put the concepts on paper they put the projects in the park. So it was a very unique project to work on from that standpoint. The Danube Park, as we say in America, is the heartbeat of the city. I understand in Bulgaria you would refer to that as the "green heart of the city". It has been a part of Silistra since 1870 and is approximately 20 percent of the land area of Silistra. We started with the goal of

completing a conceptual plan and early on we realized that the first thing we needed to do was to inventory the items in the park and then find out what the citizens would like to see in the park. And as Tony mentioned earlier, the scouts were of great assistance in the inventory and then several citizen surveys and public meetings were held to determine the needs of the park. We felt it was very important to seek this input as the buy-in of the projects of the future would be quickened if these were citizens' ideas and not solely of the staff. The Kettering staff participated in many roles during this partnership. And one of those was the consulting for the park design as well as in the public input process. We continued to work throughout the entire process as a consultant on the conceptual plan. The utilization of electronic mail enabled us to send drafts back and forth a number of times. Joe Roller, our landscape architect, was instrumental in the completion of this, the conceptual plan. I will state that it is both available in an American and Bulgarian version and it is intended that this document will be very useful in the future in obtaining additional funding to complete the projects. We will use this document to continue the redevelopment efforts and also to establish the design guidelines of the future projects that take place at the Danube Park.

We are particularly proud with our involvement in the creation of the corners. As you can tell from the West Carrollton presentation, West Carrollton and the City of Kettering are extremely close geographically and obviously we have good ideas together - as they have the Vidin corner we will have a Silistra corner in one of Kettering's largest parks. These two corners, the Silistra corner and the Kettering corner, will remain as an active symbol or a monument of the success of this twinning relationship long after the program is over. Plaques commemorating this relationship will be placed in each corner.

We were also able to assist with the funding of a specific project. We not only sought the input of the citizens of Silistra, we also sought the input of the citizens of Kettering. The Silistra staff members made a presentation to our citizens during one of their visits and from that presentation our citizens and staff were so impressed that we were able to raise 25 percent of the cost of the skateboard park. It is important to understand that this funding came from our citizens and not from the government. They were completely sold on the project. I had the pleasure of walking through the skate park earlier this week and again, it reiterates the focus that we have on citizen input and that the children designed this skate park. Much as our parks and programs in Kettering, the Danube Park redevelopment project started with the input of its citizens all the way through the input stage, the construction stage and the completion stage. Our walk through the park this week has proved that the redevelopment is going well. It was sunny, it was hot – actually, it was very hot – and citizens of all ages were taking advantage of the many amenities that the park has to offer.

We also witnessed some auxiliary benefits to our park redevelopment project. It is our belief that making the improvements to the park would also help us in our other project, which is the economic development of Silistra. During our short walk we noticed several privately owned properties that were being improved along the border of the park. It is truly our hope that the City of Silistra's investments in the park will spawn additional economic development efforts in the city as a whole and in particular along the Danube Park. I would like to thank ICMA, FLGR, USAID and all the other entities that assisted Silistra in returning the Danube Park to the green heart of the city. Thank you.

Judit Deilinger: Thank you very much. Now, we are moving away from parks to many technology and management. In the next block of presentations, it's gonna be the partnership of Veliko Turnovo and Golden talking about the management plan that they have developed for the infrastructure management. And after that, we will have Pazardzhik and West Bend talk about the GIS that they are working on.

Roumen Rashev: Ladies and gentlemen, I have the pleasure, together with Mr. Mike Bestor, city manager of our golden twin city, Golden, Colorado, to present the second project, the second part of our work on municipal property management and maintenance. This project is the plan for financial management and maintenance of infrastructure. When I talk about infrastructure with regard to our project, I mean mostly the streets of Veliko Turnovo. Because most Bulgarians here are aware that the municipalities don't own most of the profitable infrastructure, such as water and sewer, electricity supply and telecommunications, unlike the American municipalities. We have the tough job of dealing with the streets that can only lose us money and I keep thinking that if we ever make the streets profitable, someone will take them away from us. It is clear that citizens place the condition of streets second only to the condition of their homes because the streets are the veins of the city. The streets are an element and image of the communities and their good condition is a source of pride and makes the citizens calm and happy. Nobody will give us credit for having good streets but at least the citizens are happy. Of course, good streets also instill respect to the city's management on behalf of tourists, visitors and potential investors. In the same way we got confidence in Golden's management during our very first visit there. The bad condition of our streets is a source of many problems for elected officials that inevitably end with the loss of votes. It probably isn't necessary to mention that Veliko Turnovo is a city with a millennium history and culture, one of the oldest cities in Bulgaria. Whole neighborhoods have preserved the look of past times, the buildings are leaning over the curves of the Yantra and make the city look as if it came out of a fairytale. I don't know whether I managed to say this in my most lyrical voice, but this is a fact for both our Bulgarian and American friends. On the other hand, these old neighborhoods have narrow and curvy cobblestone streets that cannot accommodate modern vehicles. Due to the relief and to historic reasons, there are all types of pavements – asphalt, concrete, paves and cobblestones – and that at present the city's street network is in a very bad condition because of untimely, irregular and insufficient funding of repair and maintenance. And please pay attention to these three words – untimely, irregular and insufficient funding. Because overcoming these weaknesses was the basis of our project. I think that you'll agree that this is true of all Bulgarian municipalities. This graph shows how much money has been invested in streets – including street markings and traffic lights – for the period from 1994 to 2000. As you can see, the highest amount was invested in 1998, almost 600,000 leva. But despite the fact that such a considerable amount of money was invested so recently, Veliko Turnovo's streets are in a very bad condition. Because the investments in this particular year and the other years around 1996 were made on the principle of irregular and untimely construction of new streets instead of maintaining existing streets. And since we started talking about money, it would be natural to ask ourselves what would happen if we had an unlimited amount of money. Let's imagine that we do. We'd probably make very good streets but we'd waste the money, and since there are no unlimited resources in nature, as a result after some time we'd live worse. Our American friends may find it difficult to understand this. But we know very well what I mean. I don't recommend them to select this option.

This is an example they can copy from Bulgaria, we have more than enough gigantic sites that cost us a ton of money and as a result we don't live well now. If we have very little money, we need to find as much as we need or as much as we can afford. This is a natural response. But how can we have enough money? We'll have enough money when we have a management plan for those funds and then little might become enough.

In brief about what infrastructure management is. In the widest sense but again, with a focus on streets. First of all, it's a systematic approach to long-term financial planning of infrastructure, of its development and maintenance. We focus on lifecycle cost to minimize infrastructure expenditures. It is clear that infrastructure does not last forever. This holds true for water lines, sewer lines, sidewalks, electric and gas supply lines. The investments are planned and secured in advance to avoid higher costs in the future. It is quite clear that planned replacement is more cost-effective than emergency replacement. The information about when replacement is needed and how much would it cost is critical for the planning process. Problems due to delayed investments. First of all, the very high cost of repair, deteriorated streets, vehicle damages, traffic accidents and – god forbid – victims of car traffic accidents. Damages to the other infrastructure, as bad lanes damage the water and sewer lines, telecommunications and street lighting. In a long-term aspect, loss of revenue and loss of customer satisfaction. What did our infrastructure management project consist of? It consisted of one short-term goal: to conduct an inventory of streets and sidewalks and to develop a financial management plan for their maintenance. It also consisted of a long-term goal: to have the Municipality, knowing how much funds will be needed, levy long-term maintenance fees and convince the public that such fees are necessary. Of course, with regard to this goal we had in mind the possibility that in the future the Bulgarian municipalities will have the right to levy taxes and fees. We believe that this will happen one day and if we are ready, we'll be able to tell our citizens that it will cost this much and if they want it, they should pay for it. We believe that this is the honest approach to our citizens. By the way, we saw this in Golden. And of course, our long-term goal is to have the Municipality use the results from this project to prioritize capital outlays on an ongoing basis, to apply for grants and target subsidies. A little bit more about our short-term goal – inventory of streets and sidewalks – and what does that mean. It means a list of city streets with their specifications: street name (this may sound strange, but it is a great problem in Veliko Turnovo and probably in other municipalities, too); length; width; area; type of pavement; type of base; drainage system, etc. secondly, the inventory means that closed objects are precisely located and marked on the city's digital maps. In many of the earliest digital – at least in Veliko Turnovo – the streets were resultant from the closed objects of the lots; this made it impossible to localize them, to measure them and even to color them on a map. For this reason, it is necessary that they be closed objects. At the next stage – evaluation of pavement condition by sections. The condition of a street in a certain section is different than that of the next section. Assignment of an ID number to the section and a database with the evaluation criteria for pavement, base and drainage. And an average of that evaluation. This is the list of our streets that my director of urban development tried to convince me that we had before we started the project and I don't believe him. Because we simply didn't have it. Simple, very simple, downtown, Vassil Levski Street, Konstantin Kissimov Street, etc. Something that – I don't want to insult my staff – but I don't think they had before we started this project. The map that I mentioned, the one with the closed objects that allow a street to be outlined on the map, and a table that Mike will elaborate on in a

few minutes. The first column is the number of the street section, followed by the section's length in feet and centimeters and the type of pavement. Evaluation of surface, evaluation of base, evaluation of drainage and an average of the three. Then the necessary reconstruction or simply maintenance, depending on the result from the evaluation. The short-term goal. The second part of the short-term goal. Development of a financial plan for infrastructure management. We had two teams that worked with Golden. The first one was technical and was headed by the director of urban development, Mr. Yankov; the second one was of economists and was headed by our finance director, Snezhana Daneva. The same team on Golden's side. Review of current budget expenditures for the development of the financial management plan. And something critical, the development of materials to be used for the promotion of our infrastructure management plan to different financial institutions. This is actually our business plan. We've already submitted it to 6 banks that were asked to finance it. At the end of my presentation, I'll share some more probable ways of getting funding. A presentation of the financial management plan before the Municipal Council, a very difficult process as you're all aware. Unlike the States, we have 37 councilors and I envy Mike for having only 7. Presentation to the public and the businesses. It is paramount that the financial management plan be adopted by the public. Because its philosophy requires that we do first the streets that are not in worst condition, even the streets that are in best condition. How we'll do this, I can't tell you. We'll talk about it when we get the money. And since went into a filed in which Mike Bestor is the author and the driving force for our project, I'd like to give him the floor to tell us what is pavement management and how street evaluation is conducted, of course, adapted to the Veliko Turnovo realities.

Mike Bestor: As the mayor said, Veliko Turnovo faces the same problem that we did in Golden only to a much, much greater extent. Only 10 years ago in Golden, we found that our streets had been neglected and that prior administration had not put any money into it. We take a lot of pride of being one of the oldest cities in Colorado, of about a 125 years, and proud of our history, but sort of put to shame by the thousands of years and the wonderful history of Veliko Turnovo. But our process for targeting the money - and with limited resources you wanna make sure you spend it where it's most effective. And so the basis for that was the pavement deterioration curve. Let's go to that. This is the basis on which we do all of our infrastructure budgeting. And basically, if you have an asphalt road that is gonna last for 20 years, we know that in the first 16 of those years, about 75 percent of the life of the street, the condition of the street will deteriorate about 40 percent. The routine maintenance, if you can do it right here, if you can do the crack sealing and keep the snow ploughed and keep the surface watertight, you can extend the useful life and you can extend the period of time in which the street functions at a very high level. If you get past this point, the deterioration then comes very fast. So after about 75 percent of the time we've had about 40 percent deteriorated; then if you wait another 12 percent of the time, you are now down considerably more. So if you spend a dollar here to repair it; if you don't spend that dollar and you wait down here it's gonna cost you five dollars or more. Five times as much to reconstruct the street. So the whole purpose is to inventory the streets, identify which ones need the routine maintenance, keep that as a very top priority so you can maintain the streets that you have. Once a street gets at this point, you better ought to let it go until it gets so bad that you just absolutely have to repair it, because you don't wanna spend 5, 6, 7 times as much down here as you will up here to prolong the streets that you have. So the whole basis of how we do

inventory management and the way we suggested Veliko Turnovo go was, since you can't do everything, you can't rebuild all the streets, you don't have all the money that need, target your money where it's gonna be most effective for the long-term. We're in this business for long-term. There is one concept of managing a city that I've come to learn early on and have come to understand, then tried to explain to my elected officials, is that we're gonna be around forever. And Veliko Turnovo knows that better than we do because they've been around since forever. And so we have to take a long-range view. So by spending money here keeping your streets around longer, keeping more of your streets in good condition, and sometimes it's hard for the citizens to understand when they see you doing a milling and resurfacing project up here or doing crack sealing here and they live on a road that's in a pretty bad shape. They say, my road is worse than this other person's, why aren't you actually fixing my road? But usually once we explain it, people understand it. So what we did in Veliko Turnovo. We sent our team over and we inspected all the streets. We had our GIS people come over and do GIS mapping; as the mayor said, we ended up with ArcView maps and with Excel spreadsheets that projected the costs. After we assigned streets to categories, we projected the cost of what it would take to either reconstruct this surface, or mill it and resurface it or just routine maintenance. So we came up with a total plan and... Let's go on. What does that say? You snuck one on me here. Let's go, OK. Yeah... So we sent our group out and we were working with a very excellent technical team in Veliko Turnovo. We surveyed the streets. Our GIS guys – this is a good story, this guy was here over a year ago and at that time the high-tech economy in Denver was still very high and we had people who were trying to hire him away. We said, we need to send you to Bulgaria and he said, huh, I was just about to turn in my resignation because I was offered more money but they can't offer me Bulgaria, you can give me Bulgaria. So he's still with us. So that was a good thing. So, we went over and with their team and we had some fun and mapped the streets. So we ended up with maps then...

Roumen Rashev: This is from the main activities. It's not on Mike's slide. The main activities that are involved in any street evaluation and the results – these are two inserted files – the results, grouping the streets in three groups.

Mike Bestor: These are the streets that... where the money should be spent on routine maintenance. And then, the next one will be the streets for milling and resurfacing, I hope. And then the streets that need total reconstruction. But by, and we received permission from Southwork Company to duplicate this software for their use, but we have identified then the streets in the three categories. The City has a plan, they know the cost and they know where to put their priorities and where to most effectively spend the money.

Roumen Rashev: Thank you, Mike. I'll go on if you allow me. As you saw, as a result of our work – by the way, street evaluation will probably generate a lot of discussion during the breakout sessions – street evaluation was done as visual observation of surface condition – asphalt, of course – based on a very precise methodology developed in Golden. The system takes into account crack width, crack length, do holes have straight or curved edges, are holes less than 30 centimeters in diameter or more. 4 or 5 sheets of criteria for visual evaluation, without having to probe the asphalt, of course. The base is visible everywhere. This street that got a five, we selected it specially for the photo.

Even if we had accomplished only this, it still would be very useful for Veliko Turnovo because I'm sure – and I don't mean to offend someone – that no other municipality in Bulgaria has such a comprehensive inventory and evaluation of its streets. At least we know what our problems are, we know our diagnosis. And this is a really simple system. Of course, you need digital maps to be able to mark the streets on these maps and then transfer them into ArcView. But we continued further, as Mike mentioned. Based on existing technology for full reconstruction of streets and roads, for milling and resurfacing – and I mean existing in Bulgaria, because Golden provided us information about the technology and the mixtures they use but we'll abstain from using those at this stage. So based on the average cost of material as of last year – let's hope prices won't go up – and the cost of labor in Bulgaria, we developed a projection of the funds that the Municipality needs to invest and divided them in time. Very general values. Of course, this is a summary that only demonstrates the methodology that we used. Milling and resurfacing would cost us 17.48 leva per square meter; historic, cobblestone streets would cost us 15 leva per square meter; total reconstruction 33.30 to 36 leva per square meter. Of course, when we find money and start the construction works, we hope that these values will be lower. The Turnovo companies heard that some Americans will be spending money for street reconstruction and started to offer high prices. Wrong. At the end, we now know that the total area of paved streets in Veliko Turnovo is 468,000 square meters. The cost of milling and resurfacing all of them, assuming that they are in the horizontal section of the pavement deterioration curve, is 14 million 200 thousand leva for an assumed life of 20 years. Our annual replacement needs – as we know, pavement does not last forever – are 710,000 leva that we need to pay every year forever. Well, maybe not forever, maybe some day we'll have better technology that would make streets last 40 years for less money. If these investments are delayed or reduced, the streets will go down on the pavement deterioration curve and in time – although this is not stated anywhere, we have assumed a 5-year period everywhere – the annual replacement needs will reach anywhere between 1.7 million and 3 million for replacement only. What is the truth? I would hardly surprise any Bulgarian mayor with these words. The amounts that we need and the ones that we actually invest, we can show them as a pie chart, or as a bar chart, but that won't change anything. Our needs for the streets that are in the vertical section of the pavement deterioration curve are approximately 4 million leva at the current price levels. This amount is necessary to avoid having these streets out of the graph, in which case the funds needed will be anywhere between 9 and 16 million. The cost of reconstruction for 23 kilometers of streets that don't fall on the pavement deterioration curve is approximately 4.73 million; but since this amount grows up only with the annual inflation, it is possible to delay this investment for some time. Now, let's talk about sidewalks because our project covered the sidewalks, too. The difference in the needed investments is determined by whether we want to have the sidewalks constructed to bear heavy loads from parking or not. The difference is significant. For spot repairs, the money isn't much. However, whether we should construct the sidewalks so as to be able to bear the load of parked cars is a topic that is beyond my, and your, competencies...

...some streets are done in this way. Some sidewalks that we now do under Beautiful Bulgaria are done in this way. Additional factors that need to be considered in the infrastructure management plan. Drainage, for one thing, is a very critical issue as freeze-thaw cycles significantly reduce street and sidewalk life. The seams between the asphalt and the curb are also critical. The seam needs to be sealed, as streets usually start deteriorating in this part. This is the real condition during the winter. The

streets that we will reconstruct from now on will be done with pre-cast curbs. Mr. Yankov has taken the design from Golden and is visiting all companies that can make such curbs and trying to convince them that we'll buy one million pieces; of course, we won't buy that many but it's important that they were made. And the death of the streets, these obstructions that are probably a Bulgarian invention. Right no, all sidewalk reconstruction are done with lower curbs to allow vehicles to get on the sidewalk. Some problems are associated with construction: lack of vertical planning, low quality material, bad seals, bad designs. As a result from our joint efforts, though, we know what we need. We need to follow the management plan. A tall order but it can be done. To invest over the next 5 years a total of 12.5 million leva, and 700,000 every year after that forever. And I can assure you that to get to know exactly how much we need – 20, 30, 50 million or 12 million – cost us a lot of effort. So. Where can we get the money? We've got a problem with funding. The first problem is that the money is needed as a lump sum and very quick. If we don't invest the 4 million in milling and resurfacing, as you already saw, we'll have to spend another 3 million for that. The 710,000 leva, if we don't find them, will cost us 1.3 million more in time. Of course, the money for the worst streets – approximately 4.3 million – can wait as the amount will be increased only with the annual inflation. But the citizens living on these streets won't wait when they see that other streets are being paved. And then I'll have problems and in order not to lose my job in the middle of the term I'll have to procure this amount as a lump sum and fast. The second problem is where we'll get the money. First, by a target subsidy for capital outlays from the national budget – a fast, convenient and effective way but more appropriate for Alice n Wonderland. By own funds from privatization – possible but only if we nationalize the property that we have sold and that's not going to happen. By a municipal bond issue – a topic that someone spoke about in one of the presentations. A possible option but for a city much larger than Veliko Turnovo. Our two financial teams and experts from the Municipal Bank calculated that a city of less than 100,000 such as Veliko Turnovo should not consider municipal bond issues, because there is a real danger that a bad credit rating will be assigned – and a bad credit rating is worse than no credit rating at all. Of course, if you have someone who wants to buy your bonds, go ahead. Loan from a bank – a possible option, a matter of negotiations with the bank and a matter of legislation, as our annual payments on such loans cannot exceed 25 percent of our own funds. So, that is a matter of negotiations with the banks. The banks favor such long-term investment in municipalities. And the final real result is something that I added when I had finished the strategy. I had a meeting with experts of the European Bank for Reconstruction and Development and the European Commission representatives to Bulgarian who are responsible for ISPA. And as I've told some of my peers here, I am looking and will continue looking for replication of our project; because if a sufficient number of municipalities unite to defend before the European Commission – and they are willing to hear us – the ISPA funds for the transport projects and not the environmental could be used for infrastructure in the Bulgarian cities. Because the members of the delegation are aware that it will be our citizens and not our streets that will accede the EU. And if don't make our citizens happy, we'll have problems with the accession. ISPA is ready to provide up to 75 percent as a grant and the European Bank or another bank could provide the remaining 25 percent. 25 percent is a feasible amount. As you see, so far we've been successful. And if now, with our citizens' commitment and support, with the other municipalities or with our friends and their friends, and with our governments, if we continue to succeed, the streets and the sidewalks in Veliko Turnovo will begin to look like those in Golden,

Colorado. This is Golden's main street. Dan's pride, a really modern system. Dan Hartman is the director who isn't with us today. To limit traffic speed. Golden is a nice, calm city next to Denver. This here isn't the Danube Riverbank Park but Clear Creek. And this I a little fish there. And finally, since I talked about both projects, I'd like to recognize the Golden team – city manager Mike Bestor, public works director Dan Hartman, planning director Steve Glueck, the charming finance director Lorrie Gillis, their assistants Quint, Scott, Vince and Ashley who worked in Veliko Turnovo. And the Veliko Turnovo team: chief coordinator Mrs. Ilieva, urban development director Yankov, chief architect Abadzhieva, finance director Daneva, finance experts Zaevska and Marinov, architect Malakov, engineer Dimova, all engineers at the urban development directorate who worked very hard and I think benefited a lot from this project. And of course, the invaluable assistance of USAID and Debra McFarland, of ICMA and Jon Bormet and Judit Deilinger and Moll Swansen who I think went to China or farther, of FLGR and Ginka Kapitanova, Toni Mateeva, Ina Raycheva, and of our language intermediary – because he interprets everything we say – Nicki. Thank you all.

Judit Deilinger: Thank you, mayor. Next is Pazardzhik and West Bend. Do you need to set up your computer? OK. While you are setting up your computer, let me just give you some information about the breakout sessions that will follow this presentation, which is the last one. We are supposed to finish at about 12:40 I would say, and then that's when the breakout sessions will start. Now, we have to divide the time between the breakout sessions and lunch until 2 o'clock, because we are going to reconvene here at 2:00 for the afternoon. So... the breakout sessions will go until about... well, I can't even figure that out. Probably about 1:10, and then you will have about 50 minutes for lunch. And you have the location of the breakout sessions in the agenda. And in this room, it's gonna be Gabrovo – Portage – Tryavna, the land sale public-private partnerships. And then, conference room Pool or Billiards, it's gonna be Blagoevgrad – Auburn about the environmental management project. And conference room 1 will have Veliko Turnovo - Golden and Pazardzhik – West Bend to discuss the technology in management. And conference room Varna will host Vidin – West Carrollton and Kettering – Silistra together, to discuss the citizen participation and the park projects.

Mariana Doncheva: Dear colleagues, partners and friends. After hearing so much about so many wonderful achievements, I have the honor and the obligation to make a presentation on a very specific topic – the development and implementation of a geographic information system in the Bulgarian municipalities. In order to avoid the maze of terminology and complex words, we'll start with a lesson by our teacher Dennis Melvin, West Bend city administrator since the time when GIS was unknown even in the States. He will deliver a short lecture on the theory of GIS and its phased development. When we complete successfully our education, I will try to tell you about our successful efforts to make the American dream a Bulgarian reality. I'll turn over to Dennis now.

Dennis Melvin: Thank you, Mariana. Actually, I'm gonna talk about the procedures that we set up that we think can be utilized as typical procedures for developing a GIS system. We really think that it's more of a management process, strategic planning process, than it is a technical one. We've put together ten steps for developing a GIS system. The first one is to determine the benefit to the Municipality.

And you can do that in several ways. Obviously, contacting other municipalities that have already been through the process, researching the literature in terms of GIS systems and the applications that can be utilized, talking to vendors and having vendors deliver demonstrations to your municipality – and they're certainly willing to do that. And then looking inward, examining the things that you do in the process on a daily basis, the current practices that you have and those inefficiencies that you've already identified. This part of the process is probably the most lengthy in this typical procedure diagram that we've put together. You really have to look into everything that you do in terms of the flow of information between all of your departments. And that includes where the data is created, who's using it, what is it used for, both in the existing situation in your municipality as well as what you could do, the potential things that you could do for the GIS system. We feel that one of the crucial elements here is to interview your departments rather than just do a survey. Because not everyone is on the same page in terms of their knowledge and expertise in GIS. I certainly am not an expert in GIS and I think that you have to have the right questions asked and have the right prompts made in terms of those interviews to get the information back to be utilized in going forward with your GIS system. So the interview is an extremely important step of the process. The second step is developing, putting together a proposal for actually getting approval out of your municipal governing body. And that would include identifying the system needs, hardware and software, both either the possibility for an internal or an external assistance and manpower, the staffing that would be needed to implement and then to maintain – when I say external, that could be a consultant. We looked at that possibility and we went forward with doing it internally because we felt that we could save money in that process, have better quality control over the data and we certainly had more familiarization with the data that was being generated within our own organization. Going backwards, identifying the benefits to your municipality you probably would have redundancies in your systems; if you didn't have a GIS, it's probably a duplication of effort and you wanna try to eliminate that. And there's cost savings attached to that. So whatever hours could be identified as savings would be part of the proposal. GIS systems as well can improve the timeliness of the flow of information, the accuracy of that information and it can make information available to more departments than what may currently be the case. Putting together the method of implementation would be part of the proposal. Getting some endorsements from key people. If the input and the drive to go forward with a GIS system is coming from a particular department, then I think you'll want to pursue that with your mayors, in our case our city administration, before we go forward with the council. You wanna get those endorsements because they will be looking for those recommendations. Establishing funding sources. It could be a part of a capital project for the subsequent year. Would you be allocating dollars from an existing budget or re-allocating hours and staff positions that could be utilized to implement the GIS system. Are there outside funding sources available from potential grants? One of the considerations that we had a problem with going outside for funding was that occasionally there would be strings attached to that funding. In other words, there might be some additional rules or requirements that would be attached to getting the money and might not be worth pursuing, depending on the level of funding that you could get. We also feel it's necessary to consider external agencies that might be involved here in Bulgaria, the regional governments and potentially up to the national government. Again, one consideration to keep in mind is that one agency's intent and their purposes may not be the same what yours are. So you need to be aware of that as you

go forward. Third point is establishing some sort of guiding authority to keep the project on track and move it on. That's identifying a technology team of some sort that would be devoted to the GIS, identifying a GIS manager. You really need champions to push your project like this, it's very complex, not everybody understands it, so you have to have some people with your organization that are capable and willing to take the time and effort to keep it moving forward. In West Bend, we had two key departments – our engineering department responsible for overall infrastructure and also our community development department which is responsible for all economic development as well as our permitting process. We felt that they had the greatest opportunities for efficiency to come from the GIS. They were our champions, they were the ones that moved it forward. Fourth point, putting together a needs analysis, where you determine the needs and the design of the system. Here we do encourage a survey, at least initially, and then follow that up with interviews with representatives of the departments and also some interviews with some other stakeholders. And by other stakeholders I mean potentially the utilities that would be utilizing the GIS system or providing data for it. You got electric utilities, water and sewer and gas utilities. Those may or may not be a part of a city here in Bulgaria, they are a separate entity, so I think it's certainly worth contacting them. Establishing the desired layers for your GIS system and then prioritizing those layers, which is a key step in the process. And the prioritization would be based on those immediate goals that you wanna get out of the process and moving forward with those first as well as those foundational type controls, the water lines, the underground, the jurisdictional lines. You need to create data definitions. Again, a very key element in the process. How you model it really determines at this point what you're gonna get out of the system in the end. Fifth point is evaluating and selecting the software. Here we'd look at the primary purposes again, those initial goals that you state as very important ones versus what the software can do. It may be able to do many things that you don't need, so that would be a part of the consideration in making your selection. You consider the ease of use of the system, how easy it is to enter the data and access the data. Evaluating the company, I think, is very important that provides the software, because you want them to be around for a while, you want them to be able to support your system. Take a look at what percent of the market they have, because if they're relatively small share of the market or if they don't have a fairly good reputation in longevity they may not be here to assist you. Sixth point, you need to train your staff and get them trained early. In West Bend, we trained 4 key individuals and stateside that cost us about 10000 dollars. We had in mind that those individuals would then train the rest of the users of the system. It did work for us. Unfortunately, we lost two of these individuals. But because of the fact that we were able to do it internally, we were able to keep the GIS on track without much impact after we lost those two people. But the training is very important. Seventh point is designing the information files, the purpose of the data, the needs of users, ease of maintenance. Establish some procedures for data entry. Our staff have some very lengthy files in terms of procedures. Creating the metadata, and this is again a very key element that is necessary. This provides the backup for your staff and any new staff coming in to be able to determine whether that data is valid. Eighth point is to actually do the data entry and do the quality control on the various layers in the orders of priority that you initially set up. Point number nine, implementation, implementing some maintenance procedures. And again, maintenance and upgrade of your system is extremely important. If you're going to put data in that you're not going to upgrade on a regular basis, it actually becomes

obsolete and fairly useless to you after a point in time. So you really have to keep that upgrade. And lastly, integrating the GIS within your daily functions. There's a mindset that has to be developed that the GIS is there to assist all of your departments and to make them more efficient and if they're not going to use this system you're not going to reap the benefits that you initially thought you're going to see. You really need to develop that mindset among your staff. With that I'll turn back over to Mariana to talk about the experience in Pazardzhik in going forward with the GIS.

Mariana Doncheva: I hope that after this short lecture you know GIS slightly better than nuclear physics. This will make it easier for me to talk about our experience. The implementation of GIS as a basic means of summarizing data and in making quality management decisions is a very useful and important move for any Bulgarian municipality that is looking for more effective alternatives in municipal service delivery. There is an evident need for quality equipment and trained specialists who could utilize the system as well as to justify the efforts, time and financial resources invested in it. One of the main areas of cooperation between Pazardzhik and West Bend under the Bulgarian Technical Twinning Program involved the development of an organizational and detailed plan for the immediate preparation for the implementation of a GIS in Pazardzhik. The development of GIS in Pazardzhik is aimed at providing adequate support to two main functions of the municipal administration in. Firstly, to improve municipal service delivery, and secondly, to create conditions for making fast and adequate management decisions with regard to territorial development, environment, infrastructure management, economic development and others. Indirectly, being a rich source of information, the system will support the functioning of all institutions within the municipality. Our preliminary talks with the partners, aimed at clarifying the major aspects of our joint work, revealed certain basic problems that could be overcome with the successful implementation of the GIS. The comprehensive presentation of the West Bend system helped us realize that it's not a theoretical development but an organized database that can deal with the barriers before information processing that have been put for decades. The examples of current conditions are painfully clear. The filling and the amendments to the cadastre maps, the preparation of drawing and permits is done manually, by drawing, just like 50 years ago. This is labor-intensive and entails technical errors and physical depreciation of geodesic documents. Keeping all documents at the same place makes issuing references on them for different users and for different purposes almost impossible, as it takes time and effort. The making of management decisions is hindered because of the difficulties in unifying individual databases and the impossibility to separate unnecessary information from necessary. The first steps for this project were made in 1993-1994 but it started in earnest at the end of 2000, when the Municipality was included in the Bulgarian Technical Twinning Program and partnered with West Bend. After getting acquainted with West Bend's GIS, we had several consultative meetings. At these meetings, we discussed the benefits from the implementation of the system, the needs of funding and staff. As a result of the discussions, we identified the specifications for the Pazardzhik project. The next step was related to the establishment of a management team that was comprised by representatives of key municipal departments, in order to provide development guidance and to formulate the interdepartmental policy. We also discussed the possibilities of hiring a team of at least three staff who would work on the technical implementation of the system. During the first visit of West Bend experts, we developed a needs assessment questionnaire that was sent to municipal

directors, utility company managers and representatives of private companies. Meetings were held with the managers of companies that would use the system once it was in place. The results from the needs assessment interviews were analyzed by the work group and were used as a basis for the identification of the information layers. The proposal for the layers was sent...

... definitions and features of the layers, which the Municipality of Pazardzhik used as a basis for the initial development of the layers. The first options were reviewed by the joint Bulgarian-American team and upon their adoption we principle, we began the data collection and processing. A key moment in the preparation for GIS implementation is the evaluation and selection of software. Different software products were evaluated, world-known such as MapInfo, C-CAD, AutoCADMap and CADIS, in terms of their capabilities to serve as a base for GIS implementation. The Municipality of Pazardzhik, together with the West Bend partners, considered all these factors and, given the existing hardware and the Municipality's financial resources, decided in favor of CADIS. The software was bought and installed on three work stations in the Municipality and specialized training was provided for the management team and the employees who would work with the system. Upon the completion of all these preparatory stages, the Municipality's team began to enter the data in the layers according to the adopted priorities. We began the collection different databases and their compilation into a single coordinate system. While doing this, we successfully partnered with institutions at national level, such as the Ministry of Finance, the Ministry of Agriculture and Forests, the Land Committee. The development of GIS in the Municipality of Pazardzhik is done by stages, each of which represents the overall completion of individual parts of the city and the villages, identified with regard to how complete the available information is. Upon the completion of each stage, we will begin the maintenance of the data and the use of it. It is expected that the GIS will be completed in full by the end of 2003. This is a very ambitious deadline, given the objective difficulties and the limited funding. The implementation of GIS in Pazardzhik was initiated successfully. A system was designed by considering users' needs and wishes. Information layers and sub-layers were identified. Despite the fact that software and hardware purchased isn't the best one available and that there is no clear national concept on GIS and that there are legislative obstacles hindering the access to information, the employees working on the GIS project are doing their best to implement the project. After the GIS is completed, we expect a dramatic improvement in municipal service delivery and a reduced number of citizen complaints. The GIS will enhance and modernize the functioning of the municipal technical services and the delivery of services to physical and legal entities; will provide fast and quality services to the utility companies, the fire department, the police, the tax and judiciary authorities. The creation of GIS will allow for making quick management decisions on territorial development, environmental protection, infrastructure, planning of the economy, etc. the effective development of our joint project will result in quality analyses based on reliable data. With the active assistance of the exceptional experts from West Bend, the Municipality of Pazardzhik is becoming one of the pioneers in GIS in Bulgaria. Furthermore, the technical assistance provided by Mark Piotrowitz allowed our specialists to gain knowledge and skills in GIS development and implementation. The modern style of work that we saw in West Bend is not a dream but a real and near future for our municipality. This future was made possible by the competence, frankness and respect of our American partners who shared valuable expertise. This

has motivated us to do our best and to creatively apply the lessons learned to the best interest of Pazardzhik's citizens.

Thank you.

Dennis Melvin: Just as an aside, we tried to recruit some of the technological experts from Pazardzhik but mayor Kolchakov didn't think that was a really great idea.

Judit Deilinger: Thank you, Mariana and thank you, Dennis. Before we go to our breakout session, the FLGR/ICMA team would like to take a little more time of yours here. Having been facilitators to your partnership and to the program, we are very glad to facilitate one more thing today, which is the celebration of your successes. Ginka, Jon, please join me here.

Ina Raycheva: On behalf of the Foundation for Local Government Reform and ICMA, we would like to sincerely thank all participants in the Bulgarian Technical Twinning Program and the partnerships, their teams and managements, for being so committed and dedicated, for investing so much effort and time to implement critical projects for their municipalities, for their citizens. They invested a lot of effort to make so that these municipalities disseminate the best practices and to increase their capacity. We highly appreciate the efforts of the twin cities and we wish them further success. Again, thank you from the bottoms of our hearts.

Razgrad and Brunswick, please come up

Jon Bormet: We wanna make sure that the entire team comes up.

Stanka Anguelova: I would like to thank and I think that this is the next surprise by the Foundation and by the organizers of this forum. Again, thank you for everything that you are doing, and I'd like to declare that our municipality will continue to actively and successfully participate not only in the continuation of this project but also in the other initiatives. Thank you.

Ina Raycheva: Abington and Haskovo.

Ginka Kapitanova: We wish Haskovo many successes in their partnership with Abington.

Mayor Ivanov: I'd like to thank on behalf of Abington. Unfortunately, they are not with us here. And on behalf of Haskovo. I hope that this is our next award.

Ina Raycheva: Blagoevgrad and Auburn.

Ventseslav Kozhuharov: Just a few words. Over these two days in which we reported our achievements, here was something that I feel was left out. And I want to state that directly. Thanks to our efforts during all these years, specialists from different American cities visited Bulgaria and saw that this is a wonderful country, that the Bulgarians are people who successfully communicate and work with foreigners. E saw that our American counterparts are very active, have many ideas and we have a lot to learn from them; but we also have what to give them. Informal contacts were established that I believe will become the basis of the continuation of

our joint efforts in the future, regardless of whether such project will materialize or some other or there will be no project at all. And in conclusion, the people in many American cities began talking about Bulgaria, began understanding that this is a country that deserves to be talked about, and talk good, and this is a promotion of our country that we really need. Thank you for everything.

Ina Raycheva: Gabrovo and Portage.

Bogomil Belchev: Gabrovo is probably one of the oldest participants in this program. Thank you for the award and I'm really sorry that our partners from Portage, Dennis Durham and Michael Stampfler, are not here today. But we have time, we'll meet them again. I'd like to thank them, to thank everyone who helped us, and mostly to our friends at FLGR. Quite honestly, we wouldn't be able to achieve anything or have this meeting without them. Again, thank you.

Ina Raycheva: Vidin and West Carrollton.

Mariela Vulkova: We weren't very generous in nice words. I think that now is the time to thank everyone, starting with the American government and the American people, USAID that makes these programs possible as well as many other things in Eastern Europe and in Bulgaria. I thank FLGR and ICMA for all the support and commitment in their relations with us, and I hope that we'll maintain these relations in the future. Thank you all because without you this program wouldn't be so successful. And finally, I thank our families for being so patient with us because we really had to work hard over the last year.

Ina Raycheva: Silistra and Kettering.

Ivo Andonov: I'll be very brief. I'd like to thank for the wonderful program, for this final conference. I sincerely hope that we will participate in phase four and I promise that we'll replicate the Silistra/Kettering experience in the municipalities in Danubian Dobrudzha.

Ina Raycheva: Veliko Turnovo and Golden.

Roumen Rashev: I think I talked enough, so I won't speak this time. We've got a project coordinator, Mrs. Mina Ilieva, chief secretary of the Municipality of Veliko Turnovo.

Mina Ilieva: Yeah, a lot of people asked me why I haven't talked for two days. It is nice to be able to say thank you. We from Veliko Turnovo decided to say first thank you. Thank you, Ginka, thank you, Ina, thank you, Tony, Nevena, Judit and Jon. You are people who are able not only to create partnerships but thanks to you we now have many friends. And the best thing is that we consider you friends, too. Please, take this small gift from Veliko Turnovo, the city where you are always welcome. And I hope that the next meeting of all our new friends will be held in Turnovo.

Ina Raycheva: Pazardzhik and West Bend.

Ivan Kolchakov: I had the pleasure to greet all our partners yesterday, so I'll give the floor to my chief of staff and PR, and I'll wish our friends to win the football game tonight and to at least replicate the success of the Bulgarian national team in the US in 1994.

Lyubomir Velkov: Just a few words for the Bulgarians. Partnerships are generally based on interest. We've all seen what that interest is. Thank god that are now becoming friends, and that is forever. Of course, this is for the Americans, and only for them...

Only probably a word for the Americans. We wish you all luck tonight with Germany. We've seen you do it already twice on different battlefields. You can do it again.

Ina Raycheva: Those who would like to take the boxes of their awards, please come up. It will be more convenient to carry them in the boxes.

Also, we would like to have a photo with everyone in front of the hotel. Please, come in front of the hotel.

Lachezar Rossenov: Dear colleagues, ladies and gentlemen, we are now starting our final meeting of this conference, with the participation of the mayors of the main Bulgarian partner municipalities. Our task in the remaining time is to discuss how this extremely valuable experience can be replicated in the other municipalities and how it can be preserved, i.e. be sustainable. The way of partnering that we owe to ICMA and the Foundation is a completely new approach under which official delegations are replaced by real partnerships. And I think that there is no one in this room, and not only in this room – everyone who had a contact with the partnerships between the American and the Bulgarian cities have seen the new spirit, have seen the new way of working, undoubtedly benefited from the new ideas, learned to work in a different way and partnered with people with extensive experience, practical experience. Many things were transferred to Bulgaria and I think that we're all immensely thankful to the US Agency for International Development for funding this project, to ICMA and the Foundation. But all good things come to an end and the moment is coming when the Bulgarian and the American municipalities will be left on their own. And if for the Americans this experience remains and won't be wasted, maybe we should discuss today, have a small brainstorm, how we could preserve what we've done so far and how we can transfer it to our counterparts. Furthermore, local elections will be held next fall and it could happen so that, by a Bulgarian tradition, some people who were involved in the partnerships or most of them may cease to work in local government, i.e. this invaluable experience will be lost. I'd like to thank everyone who right now, when the US is playing against Germany and everyone is excited about it, have come to this room to discuss this important issue. With this, I declare the discussion open. I'd like to hear the opinion of my peers around this table. Of course, the discussion is open to everyone who is in the room. I'd like to ask you to be creative and succinct when you talk. Who'd like to start? Yes. Mr. Ivo Andonov, mayor of Silistra.

Ivo Andonov: I won't go back to what was done over the last 18 months. It was presented quite well yesterday. At the beginning of our term, we were a young, enthusiastic team that had a lot of ideas and little experience. And during our very first visit to Kettering when we met the Kettering team, we started learning from city manager Steve Housemann's vast experience and that of his staff. So I learned a very important thing and that is how the Americans manage to motivate their staff. And

I'm glad that I was able to transfer that to Silistra, so that not everything would depend on the mayor but that every staff person, from deputy-mayors to security guards, would do their best in their job. I believe that this has been a very successful practice. And that makes me proud and I thank Mr. Steve Husemann for everything that he and his staff did for us. So, apart from these two major priorities, we also share our opinions, ideas and thoughts on many other issues. I believe that the experience accumulated both by us and the other Bulgarian partner municipalities here, in this room, could be applied by assisting our counterparts. We've already started doing this within the Silistra Region, providing consulting assistance to those municipalities that are interested in what's been done under the program. I believe that this is very important and I hope that phase four will continue, so that we would be able to involve other Bulgarian municipalities. Thank you.

Lachezar Rossenov: Thank you. Mr. Andonov. So, one of the ways is to help our colleagues who are located closest to us within the regions. One thing that I'd like to share with you, is that we had replication effect immediately after the first phase of the project, when a transfer skills and partnering began. And one of the municipalities that took advantage of Blagoevgrad's experience was Dobrich. Unfortunately, our partnership ended at phase one, at phase two to be precise. Anyone else? Yes, Mr. Belchev.

Bogomil Belchev: I'll be very brief. I believe that all municipalities have initiated interesting projects with their US counterparts...

Stanka Anguelova: ...what we've hear about the projects of participating municipalities. Many rational things were presented at this conference and we shouldn't waste this experience because everyone involved in a project know how much time is needed for project preparation and development. My proposal, and I already hinted about this yesterday, is not to have the Bulgarian municipalities twinned but to have them exchange what they have done and thus save the time needed to achieve these results should we start from scratch on each topic. I support the proposal to have a manual published. Actually, it is a practice of the Foundation for Local Government Reform to disseminate positive practices. However, I'd like to add that the projects should be organized by topic, as projects were developed in different areas, and there should be a series of seminars with participants from those municipalities that were involved in the three phases of the project. In this way, we can cut the time and make use of the accomplishments. I think that this would be good. Anyway, my proposal is to group projects by topic.

Lachezar Rossenov: Thank you. Mr. Kolchakov. Are we going in sitting order?

Ivan Kolchakov: I think that the colleagues already talked about the main ways of replicating best results and that we should really become "trainers of trainers". We are the municipalities that have the skills to solve a certain issue in a way that is good for Bulgaria. The question is how to make this a practice countrywide. Of course, we have many possibilities, starting with the municipal web pages. The presentations clearly demonstrated that all municipalities have web pages, so this is the most normal and the easiest way for everyone who contacts a municipality to get information from any point on the globe. Of course, we should do so as to have the National Association of the Municipalities in the Republic of Bulgaria informed about these

projects and we, the members of the Association's board, will do our best to inform the board and all Bulgarian municipalities about the projects that we have developed. Also, Bulgaria is almost completely covered by regional associations of municipalities. It would be natural that both our neighboring municipalities, as we are municipalities that are regional seats, be pilot municipalities within our respective regions and that we should also inform the regions where we have associations of municipalities informed on a regional basis. We will thus respect the efforts of our American partners, as by multiplying the effects of our projects we will do so that, as one of the municipalities here said, Silistra I think, the smart use of stotinki will generate leva, i.e. will avoid spending a lot of money. In other words, we can utilize the funds invested so far to a much greater extent than a Bulgarian municipality that would start solving the same problem independently and with own funding. And of course, the good way of partnering is the best prerequisite for extending the partnership in the future. Because when the partners are convinced in the positive results of their efforts, there will always be sufficient justification and willingness for subsequent projects. I'm, also convinced that an eventual fourth phase of the program will have a new and significant contribution both for present participants and for future ones, as it would be good to provide for continuity. And we can wish good luck to the program and to the Bulgarian and American partners.

Lachezar Rossenov: Thank you, Mr. Kolchakov. Yes? Mr. Rashev.

Roumen Rashev: I agree with everything that's been said so far. How we in Veliko Turnovo plan to continue our cooperation with Golden? We will most probably sign a formal sister city memorandum, a practice already used by Pazardzhik, that would make our partnership more formal and lasting. As it turns, a sister city relationship provides some advantages as compared to purely human relations. Of course, our human relations will continue, too. There is a lot of interest in travelling and getting to know the US better, with a cognitive and commercial purpose, of course. I think that both the Agency and the Foundation, USAID can mediate such a phase; and I'm not talking about money, of course, but with guarantees from the municipality that has been involved in such a project would be easier to get long-term or whatever visas for the US. All members of our first delegation came back. Nobody stayed in the US. And I think that we as mayors can guarantee that the people who go will come back to Bulgaria. I already said that I'm looking for partners for at least one of our street management projects, partners among the Bulgarian municipalities. Mike Bestor will spend a few days in Veliko Turnovo starting tonight. We need to clarify with him some issues related to our project, mostly with regard to licensing the software we have and the possibilities to disseminate it. I can't tell you how far we are on this one and whether what we have now is licensed or not. When we get the license, though, it would be easy to replicate this project in other municipalities; and its replication is mandatory when applying for funding from institutions that either provide money that doesn't have to be paid back or that is paid back in a very long time. I think that USAID and the Foundation can also help us with good recommendations, as I'm sure – actually, I'm not sure, I saw for myself what it means to have USAID guarantee something financially. We got a 600,000 Leva loan for street lighting with nothing else but a letter from USAID and in a very short time. Our city is lighted now. Our other project is slightly different. We can share experience about it, of course, in terms of the approach and the means but no one will have the downtown that we will have in Veliko Turnovo.

Lachezar Rossenov: Thank you, Mr. Rashev. Mr. Kozhuharov, Municipality of Blagoevgrad.

Ventseslav Kozhuharov: Thank you. Going back to what I've heard over the last two days on the many topics, each one of them very interesting and very useful by itself, it seems to me that four need a special attention as they would be of interest to a wide circle of municipalities. These four topics are: strategic planning; business profiles, the development of business profiles; Veliko Turnovo's experience in financial planning with regard to streets; and last but not least, the geographic information system presented by Pazardzhik. The latter will have effects that would be felt over the next 2 to 3 years. As these topics are more or less universal, I think that something more should be done about them. What is common between all of them is that they provide a systematic approach to doing something, and we have the tradition of summarizing such experiences in a specialized manual. Let's remember the manual that was developed for the citizen information center. So, my specific proposal – at least these are the topics that in my opinion are worthy pursuing, although they might not be the only – is to have FLGR take the lead and organize work groups and have each group develop the respective manual. I think that we should be able to apply for funding for such an activity. And secondly, again on these topics, would be to establish – which won't be difficult after having the manuals developed – establish groups of lecturers, so whenever a specific municipality shows interest we would have ready presentation modules, just as we had modules on citizen participation and other issues. Thank you.

Lachezar Rossenov: Thank you, Mr. Kozhuharov. Dr. Tsenov, please.

Ivan Tsenov: Thank you. I think that the experience that we have accumulated during the partnership under the program can be shared not only by means of such materials that summarize the results from all projects. We already have such a practice under the Southeastern Europe Stability Pact, where seminars are held to present these partnerships between the cities of an Eastern European country and Western Europe. I think that all results can be summarized for the three phases and that a seminar should be held with the involvement of all municipalities interested in such a partnership. Such a seminar can be organized either by the Foundation for Local Government Reform or the National Association of Municipalities, that would review our experience and henceforth, regardless of whether phase four will materialize or not and which municipalities will be funded should such an extension occur, we could assist other Bulgarian municipalities to establish contacts with US cities. Again, regardless of whether this will be funded or not, but such contacts can be maintained via internet, at the same time looking for alternative ways to finance these partnerships. And with regard to the fact that most participants in this program have already made independent decisions to continue their respective partnerships, as it is natural that what we've done and what we've achieved cannot be limited within one year, these are after all friendly relations that could be sustained for years to come. As M. Rashev said, it would be appropriate to sign sister city agreements, to have the municipal councils make decisions to continue this program. Should the program be extended into a fourth phase, it would be welcome for each and any of the participants. But again, by internet or by other means of contacts, meetings funded by other sources, we should continue the program. Thank you.

Lachezar Rossenov: Thank you. Mr. Tsenov. Yes, Mr. Rashev.

Roumen Rashev: when I said that we're looking for partners for street reconstruction, I'm ready to have Veliko Turnovo involved in the project of Vidin and Silistra, in case that they decide to seek funding on a larger scale for Danube riverfront parks. After all, from the standpoint of Europe or America, we are all Danubian municipalities for them. So, it would sound nice to have a Danube riverfront park in Veliko Turnovo, for example.

Lachezar Rossenov: Thank you. We've heard the opinion of the participants in this panel. Many specific ideas were iterated with regard to the sustainability and the development of the results, with regard to replication. However, I believe that many other topics are still to be discussed, one of them being how we would provide sustainability within our own municipalities. So that what we've done would be preserved and won't be lost together with certain people. Besides, I'd like to hear the opinion of the American participants in the phases so far and how they see the continuation of the partnerships, is such continuation desired or would it rather end with the conclusion of the program. I propose that we think about this and those municipalities that within the last three years had the opportunity to get a first-hand experience with the vast practical wealth, the experience of the US city managers and cities, do you think that we could have these Bulgarian municipalities communicate among themselves? Somehow, maybe with the Foundation's assistance, maybe in some other way. So, the discussion is open. Yes, please.

Steve Husemann: I think it's probably important that the American cities get together in this type of a conference hall or possibly even in person and then can compare notes of what we have seen, what we have done and make ourselves available to each other and to our Bulgarian counterparts. I think there's lot of opportunities there that we can further develop...I think that's a good point, Jon. In our particular area, we work closely with several other cities who are near to our community, West Carrollton being one of them. If I have a problem or a question, I can either spend a lot of time researching it or I can contact one of my colleagues who may have already had that experience. So, obviously as much as possible we work together to share ideas, steal ideas and serve our citizens as best possible. I would encourage that for all of you if you have an opportunity to meet together periodically, if you have the opportunity of nothing else just to keep in contact over email to be able to know what is going on. Many other managers and I, we are in each other's address books, so I can simply type in Tracy Williams and I can send an email very easily. It's just like having a member of my staff right there, I can pool on the resources of these other communities. We obviously get together annually for national conventions, we get together for statewide conventions, but I think that the key thing is that we work very closely together just with our own community.

Lachezar Rossenov: Thank you. Recently, a Bulgarian group went to North Carolina for training and we had the opportunity to be there at a very interesting time, when the local authorities were trying to defend their budget before the governor and the state's assembly. And then we shared with our North Carolina partners that in this respect the Bulgarian local authorities and the mayors have a 12-year experience in doing local politics without money, so we could help them by sharing this experience in copying

with the situation in which, as far as I understand it, more and more American cities are operating. This is a joke, of course, but every joke contains a little bit of truth. We've really accumulated enormous experience in working in an environment of constant deficit and lack of funds. So we could also provide some help in this respect. So. Any other opinions?

Dennis Melvin: In continuing relationships in Pazardzhik and West Bend established a sister city relationship, so certainly we are interested in moving forward. The replication idea in my opinion has a great deal of merit, because you really spread what has been gained over the last 18 months to the rest of the communities in Bulgaria.

Lachezar Rossenov: Thank you. Yes, please.

Skip Trimble: One of the things that I think have been encouraging here over the last two days are the number of times the Bulgarian presenters mentioned self-confidence that they have developed. I think that develops over time and the Razgrad – Brunswick presentation demonstrated that the replication and the extension of the partnership to other communities is something that came after four phases, or in three phases. So I think there's growth and maturation, maturity, self-confidence and in trust among Bulgarian communities as they watch other communities involved in a twinning relationship. So I think it's important that you think about the extension of the process into the fourth phase, because that's when it seems to me you're beginning to get more replication, more Bulgarian municipalities are becoming partners with their Bulgarian sister cities. And I think you really see the kind of momentum increased even beyond what we've been able to see over the last couple of days. So it's been a very encouraging thing to hear the conversations about the capacity that's been built in Bulgaria to help Bulgarian communities. And in that sense I think it's a justification of the first three phases. But after 18 months or only one phase involvement is not to declared victory at that point but recognize the great progress that can be made in the second year and the third year, even though people did mention they want to see their families once in a while, I do think the maturity of the program only comes after you've had time to work on it and demonstrate the kind of successes that we've been able to report here in the last two days.

Lachezar Rossenov: Thank you. At the end of our meeting, an important issue was raised, and namely that the partnership with the American municipalities increased Bulgarian mayors' self-confidence. And I think that you'll agree with me that those mayors and municipal employees who communicate with American cities are loaded with positive and creative thinking and are generally the best countrywide. Do you have other opinions? Maybe we should summarize now. Some of the municipalities are ready and willing to continue their partnerships with the American cities. The American cities see opportunities to communicate between themselves and the partnerships have created friendships in the US as well. And they will maybe seek opportunities, by communicating between themselves, to continue working with Bulgaria. A lot of hope is associated with the Foundation that could help summarize this experience, publish materials to promote it, organize seminars with qualified lecturers from the cities involved in the partnerships. There is also willingness to help other municipalities both in the respective regions and countrywide. There is also the wonderful idea of Veliko Turnovo to seek partners and economic allies based on what

they've learned from the US. Many ideas were shared and I'm very glad that none of the speakers stated that the availability of funding or the lack thereof would be a prerequisite for the replication of this experience. This comes to demonstrate a great degree of self-confidence, a knowledge of the elements and the issues and a sufficient potential within the Bulgarian municipalities to continue what they have initiated. And this is extremely important in order to provide that the positive results won't end with phase three or four. Anyone else? Yes, Mr. Rashev.

Roumen Rashev: The fact that we didn't mention it as a prerequisite doesn't mean that we'll turn it down if funding is available. Of course we won't. It would be good to have funding. We were just being modest, that's why we didn't mention it.

Lachezar Rossenov: Last call – do you have other ideas or proposals? I'd like to thank everyone for being so productive at the end of such an intensive three-day meeting. And I'd like to ask Ginka and Jon to maybe officially wrap up. Yes, please.

??? On behalf of Serbian side, I suppose, I would like to thank you for invitation to come to Varna and to get some experience. As far as I could see, you made great achievements and probably you started before we did, so it was very useful for us to attend this meeting and to benefit from this. Once again, thanks to everyone who contributed to that meeting. Would be happen here and of course we are looking for some collaboration, both from American and from Bulgarian side, and we'll try to stay in touch with all of you who want. Thanks so much.

Lachezar Rossenov: Thank you. We are finished with this part of the discussion and I'd like to invite Ginka and Jon to continue.

Kiril Kiryakov: Ladies and gentlemen, dear friends, dear guests,
It is really my pleasure to have had the opportunity to be with you over the last two days and I'm feeling sort of comfortable, after having witnessed such a professionally organized final symposium, to share some thoughts with you.
Over the last two days, we got used to having everyone thank the US Agency for International Development for what we're doing. Thank you for your sincere appreciation of our assistance. However, what I'd like to share with you is that there isn't a more natural thing for USAID in Bulgarian than helping local government in Bulgaria. We have proven that, as we have been, are and will remain, the largest donor in the area of local government, at least for the next 3 years. I'd first like to thank on your behalf two organizations without which this interesting program wouldn't materialize. Firstly, I'd like to thank Jon Bormet and ICMA for their methodology which, as you probably all know, is applied in many countries worldwide. And I'm always pleased when Jon says that the country in which this program is most successful is Bulgaria. In other words, with such a solid argument it's really easy for us as a donor to think about constantly extending this program. Secondly, despite ICMA's wonderful methodology and expertise, this program wouldn't be possible without the vision of an organization which both we and you love and respect. This organization is the Foundation for Local Government Reform, which for seven years now is the driving force of Bulgarian local government's progress. What I'm saying would hardly surprise you, but...
...all these local resources that you managed to mobilize in your municipalities and which can't be measured by numbers. Because this is something that remains,

something that is remembered, and I'm convinced that the Bulgarian municipalities also appreciate it. I'd like to thank all Bulgarian mayors and their teams, because what mayor Rashev and mayor Rossenov shared is critical, but I can say it as an independent observer. Yes, there is an obvious difference between the confidence that you have built as teams and what happens in most of the other municipalities. As in the course of this program and other programs that we're implementing through the National Association of the Municipalities in the Republic of Bulgaria, through the Foundation for Local Government Reform, the Bulgarian municipalities got the opportunity to accumulate priceless expertise that they can develop independently in different directions. I think that all of you realize how useful this is and I'm very glad to see that the way you envisage a continuation of this program coincides to a great extent with our view as a donor on the future development of the partnerships, or at least of what has been achieved over the 5-year history of this program. I would like to thank our guests from Serbia and Romania and to encourage them to make use of the advantages available through ICMA's Resource Cities Program, so that in several years they too could boast of similar results in their municipalities, as well as to encourage them to continue to cooperate with the Bulgarian municipalities because the mechanisms for such cooperation are in place and working. As you're aware, the Bulgarian National Association of Municipalities is the coordinator of the network of national associations on the Balkans, and one of the active associations within the network is the Serbian national association. A similar process is under way in Romania, where the municipalities are being consolidated and would soon probably have a national association similar to the one in Bulgaria. In conclusion, we're all talking about a continuation of partnerships. It won't be a surprise if I tell you that with my colleagues and friends, Jon Bormet and Ginka Kapitanova, we're already thinking about the concept of an eventual future phase of the program. However, I can tell you that the most important aspect on any future form of this program – regardless of whether it will materialize, the ideas will go on – will be the replication of everything that has been done. It will have several aspects. There are still several months left until the end of the current phase, and we'll use this time with FLGR's and ICMA's teams to clarify our vision. In this respect, everything you said at the final symposium would be very useful to us. In conclusion, I wish you health, personal and professional success in your municipalities, and I hope that we'll have many more occasions to meet and to share all these good and successful practices that we've implemented under this program. And I'll finish by sharing a very specific result. As you well know, we at the Agency, apart from being quick as a donor, are also very specific. I'd like to announce an idea that occurred to me yesterday while I was listening to the first presentations by Silistra and Haskovo. I managed to talk to ambassador Pardew and Debra McFarland. The first thing that we'll do, probably in September, is related to the dissemination of the practices for the business profiles and the marketing strategies of the municipalities. Most probably in September, we'll organize a seminar in Sofia and we'll invite all municipalities that have developed such presentations. The seminar will be for them and for all commercial attaches assigned to Sofia and purpose will be to provide you an excellent opportunity to present your products directly to the most appropriate, limited audience. The audience will be the people who make the investment decisions for the respective countries. We are willing to do this and I hope that together with ICMA and FLGR we'll be able to do this. However, I think that this is a very good and working idea because there is an obvious interest and it would be better if we do this for you instead of having you doing independently for individual commercial attaches. I believe that this will be

useful to everyone. Thank you once again, have a safe trip home and may we have more occasions to meet again.

Ginka Kapitanova: Dear friends and guests, for me the time between the opening of this conference and these final statements passed very fast, despite the fact that a lot of information, expertise and practices were shared. Throughout the whole third phase I tried to keep myself informed about everything the municipalities were doing, but I have to admit that while I was listening to the presentations yesterday and today I felt exceptionally proud and satisfied – and I suppose that holds true for all my colleagues and all of you – that we are a part of this process of changing government and moderating so many positive practices in Bulgaria which gives an extraordinary spur to local government. It was already said several times what was obvious to everyone – that the Bulgarian experts are confident and the fact that they did those wonderful presentations in teams with their American counterparts and are ready to share their experience with other municipalities. I'd like to sincerely thank all of you who worked under this program, who made this possible and who are, most of all, ready to share what you have done with your colleagues and transform it into an avalanche that would flood all Bulgarian municipalities. Thank you very much for this last discussion in which you reiterated that what the Foundation has been doing to replicate your experiences has been well-targeted and for upgrading it with many new ideas. I will allow myself to summarize your ideas in two major areas and trends. The first one is that your municipalities really have the self-confidence, have this new team approach and are open to innovation. And it would be wonderful the Foundation, together with ICMA, with the assistance of USAID, to continue to facilitate this dialogue between your teams, so that they would work, exchange information and become a core generating innovative practices in Bulgaria. And the second area of future work on all these wonderful ideas would be to have them on FLGR's web page and your own web pages, grouped by topic, with the formation of teams that would work on one topic – everything that has been generated as information and expertise to be transferred to all those Bulgarian municipalities that are interested. So we will continue to be an organization that has done this, with all these wonderful ideas on upgrading, to continue this process in the future. Again, I'd like to thank our partners from ICMA, Jon and Judit, for being so professional in working with us and we'll continue to work together. We've learned a lot from them, things that we're using not only in this program. I suppose that everyone in this room know that the Bulgarian Technical Twinning Program is only one of the programs that the Foundation for Local Government Reform has for the Bulgarian municipalities. We are trying to have this team approach, the achievement of specific goals, incorporated in all our programs. Again, I'd like to thank USAID for this is the moment to say thank you. I think the USAID mission in Bulgaria, besides providing enormous financial support to many local government programs, is always keen on participating in various discussions, to get to know the essence of the problems faced by the Bulgarian municipalities and to support those programs that best meet the needs of the municipalities, and not because somewhere someone has decided that this should be the strategy for Bulgaria. And I believe that this is critical. And mostly Kiril Kiryakov, who we at the Foundation regard a member of our own team. And finally, I'd like to thank my colleagues. You all know, both city managers and mayors, how much effort is needed to organize such an event; and not only the event by itself but also the collection of information and the facilitation. Of course, you also had your share in the process. But I would like to sincerely thank Ina, Tony and

Nevena who dealt with the preparation; Tanya, who provided excellent media coverage; Zdravko, who provided the funding. I suggest that they stand up and we give them a round of applause. I suppose you've all found out that the key to the Foundation's success is the professionalism and FLGR's wonderful team. And once again, thank you for being with us and making this conference a success.

Jon Bormet: I know that I have to be very brief because I'm the only one who stands between you and the beach. I want to thank... I wanted to thank and recognize the extraordinary leadership and vision of the city managers and the mayors who are with us today. But more importantly, I want to recognize the extraordinary contributions and the real talent that was exhibited in this room the last two days by the staff members from each of the cities. I know as a former city manager that I always felt my most important job was to hire good people. Because that's what would make me successful and that's what would make my city successful. It's clear that both the city managers and then the mayors here have done that. One of the things that Bulgarian cities have clearly began to work on is building the capacity of their staffs, that a mayor with all the good ideas of the world that doesn't have a staff who can implement them would be lost and would be a failure. I'm very encouraged. I hope that the people who we have seen as staff members, the young people, I'm overwhelmed by the number of women who are in key positions in each of your cities and you're to be applauded for giving these people an opportunity to serve. I hope that each of these people truly do not consider your time serving your municipality as a temporary thing. But that we all look for opportunities for those folks who serve as our staff members to truly make a career. Because that is really the key and the secret, if you will, to American local governments, is that each of the city managers in this room can depend on skilled, long-term, dedicated public servants who are more than happy to work with elected officials, to take the directions of elected officials and once receiving those directions can then make the system work. And that's really to all our benefit, I think. Again, thanks very much for the staff members and all the work that you did. I should also say that I feel a little guilty and I should acknowledge that I show up here at the end of the show. I'd like to really thank Judit for all the work that she did. You know that she was really the one who was working with you day and day out along with FLGR. With that, I have nothing further. Thanks very much for coming. Have a good trip home.